



DRAFT ENVIRONMENTAL IMPACT REPORT



CITY AND COUNTY OF SAN FRANCISCO PLANNING DEPARTMENT

2225–2255 Third Street

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Paul E. Maltzer

Environmental Review Officer

San Francisco Planning Department

1660 Mission Street, Suite 500, San Francisco, CA 94103

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Paul E. Maltzer

Environmental Review Officer

San Francisco Planning Department

1650 Mission Street, Suite 400, San Francisco, CA 94103

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**2225-2255 Third Street Residential-Retail Project
Draft Environmental Impact Report**

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I. SUMMARY

A. INTRODUCTION

This Draft Environmental Impact Report (EIR) for the 2225-2255 Third Street Residential-Retail Project was prepared in accordance with the California Environmental Quality Act (CEQA). The project sponsor, the Martin Building Company, proposes to preserve and renovate two existing historic buildings and construct three new buildings above a new below-grade parking podium. In total, these buildings would contain about 242,185 square feet (sq.ft.) of floor area, including about 179 residential units, 5,262 sq.ft. of restaurant uses, 11,434 sq.ft. of retail space fronting Third Street, 2,393 sq.ft. of day-care services, a below-grade parking garage accessed from Illinois Street with about 157 parking spaces, 50 bicycle spaces, and two off-street loading spaces. The two new structures fronting Third Street would be 35 feet (three stories) tall and beyond a 20-foot setback from the property line would be 50 feet (five stories) in height. The new building facing Illinois Street would be 65 feet tall (six stories) in height.

An application for an environmental evaluation for the 2225-2255 Third Street Residential-Retail project (the "proposed project") was filed on December 24, 2002. On the basis of the Initial Study published on July 22, 2006, the San Francisco Planning Department determined that a focused EIR is required (see Appendix A: Initial Study). This focused EIR provides information on the cumulative land use effects of the proposed project to members of the public and City agencies so they can make an informed decision on the project. The rationale and focus of this EIR, as stated in the Initial Study (Appendix A), is as follows:¹

Although the proposed project's direct land use impacts would be less than significant, its contribution to cumulative impacts, when combined with other reasonably foreseeable development, may be significant. The Board of Supervisors adopted a motion on February 7,

¹ Page 27.

2006 finding that a Mitigated Negative Declaration for 2660 Harrison Street was inadequate because "there appears to be substantial evidence to support a fair argument that the project [2660 Harrison Street] may have potentially significant environmental effects that were not considered or mitigated.... on [1] the loss of PDR jobs and businesses, [2] on the City's ability to meet its housing needs as expressed in the City's *General Plan*, and [3] on land use and housing as delineated in the Department's environmental evaluation checklist." Based on the Board's decision, additional analysis needs to be completed to determine if land use changes caused by cumulative non-PDR development in the Eastern Neighborhoods [rezoning study area] might be adverse.

CEQA generally states that the social and economic effects of a project should not be treated as "significant effects on the environment" unless they involve physical impacts. However, social and economic effects may be considered in two circumstances: (1) when a project's social and economic effects may cause adverse physical impacts; or (2) to determine the significance of an identifiable physical impact caused by a project (CEQA Guidelines Sections 15131(a) and (b), and 15064(d)(3)(e)). In the case of the 2660 Harrison Street project, the Board of Supervisors cited two potentially negative social and economic factors (cumulative future PDR job loss and the City's inability to meet its housing needs) to determine the qualitative significance of the cumulative land use changes that would result if multiple non-PDR projects, such as the 2660 Harrison project, were approved on industrially zoned lands throughout the Eastern Neighborhoods EIR study area. Thus, the Third Street EIR will analyze the project's potential contribution to future cumulative reduction in PDR land supply. Additional analysis and information of the project's impacts and the cumulative impacts of individual development projects on the City's ability to meet its housing needs in relation to the *General Plan* will be provided to determine whether the project's contribution to cumulative land use change would be significant and adverse.

Furthermore, in a March 31, 2006 memorandum to the Planning Commission, the Environmental Review Officer indicated that project EIRs would be required to examine the cumulative land use effects of projects located within the Eastern Neighborhoods rezoning area that (1) displace existing Production, Distribution and Repair (PDR) uses;² (2) reduce or eliminate future PDR land supply and building space; (3) create or contribute to land use conflicts; and (4) contribute to a cumulative adverse effect on the City's ability to meet its housing needs as expressed in the City's *General Plan*. (For the remainder of this EIR, the term "PDR space" shall represent both PDR land supply and building space). As discussed in the Initial Study, the proposed project would not directly displace existing PDR uses or directly create or contribute to land use conflicts. However, when combined with other cumulative mixed-use residential development anticipated in the Eastern Neighborhoods

² For the remainder of this document, the definition of "Production, Distribution and Repair" (PDR) is the same as the definition set forth in San Francisco Planning Commission Resolution 16727. See discussion on pages 51 to 64 for more information about PDR space.

rezoning area, it could reduce the supply of potential future PDR space needed to accommodate projected future PDR job growth in the Eastern Neighborhoods and affect the City's ability to meet its housing needs as expressed in the City's *General Plan*. Thus, based on the criteria set forth in the Planning Department's March 31, 2006, memorandum, an EIR would be required to examine the proposed project's potential contribution to cumulative land use effects related to the City's PDR space and housing needs.

B. PROJECT DESCRIPTION

The project site is located in the Central Waterfront area of San Francisco, south of Mission Bay, east of Potrero Hill, and north of Islais Creek and the Bayview neighborhood. The site is located mid-block on Assessor's Block 4058, Lot 10, the block is bounded by Illinois Street on the east, Third Street on the west, Nineteenth Street on the north, and Twentieth Street on the south. The topography in the area slopes downwards from Potrero Hill on the west to the San Francisco Bay to the east. Third Street is at the bottom of Potrero Hill, although the topography continues to drop about 12 feet in elevation across the project site from Third Street to Illinois Street. The project site itself has been excavated, so it is at grade with Illinois Street, and about 12 feet below grade at Third Street. A retaining wall along the western boundary of the site is below the Third Street grade.

The 50,000-square-foot, mid-block project site consists of two existing historic buildings fronting Third Street surrounded by vacant land that formerly was used as a metal scrap yard. The northernmost historic building on the project site (2225 Third Street) is a vacant 34-foot-tall, three-story-above-basement masonry and heavy timber former warehouse that last contained approximately 14,400 sq.ft. of commercial office use. The southernmost historic building (2255 Third Street) is an 18-foot-tall, one-story-above-basement masonry and heavy timber structure that last contained 8,500 sq.ft. of commercial office use.³ The remainder of the project site is approximately 39,000 sq.ft., and was used as a metal scrap yard since the 1920s but has been vacant since 1999. This undeveloped portion includes the entire eastern half of the property fronting Illinois Street. A sub-grade railroad spur was located on the property but was removed in 2002. The entire property has been vacant since 1999 except for the building located at 2255 Third Street, which has

³ These two historic buildings are described in greater detail in the Initial Study on pages 70 to 73, and are considered by the Planning Department to be historic resources. The Planning Department determined that the proposed project would be consistent with the *Secretary of the Interior's Standards for Treatment of Historic Properties* and would not have a significant adverse impact on the historic resources.

been donated to a variety of non-profit uses on a temporary basis pending development of the proposed project.

The proposed project entails construction of a partially below-grade parking garage (below-grade at Third Street and partially at-grade along the Illinois Street elevation) that would occupy the undeveloped portions of the site, incorporate the existing basements of the two historic buildings on the site, and serve as a podium for a new internal courtyard and three new multi-story buildings. Although the project would function as an integrated whole, above the new podium it would appear as five separate buildings. The two existing historic buildings fronting Third Street would be preserved in place; two new "infill" buildings would be added on Third Street on either side of (and bridging over) the southernmost, single-story historic building (2255 Third Street); and one new approximately 65-foot-tall structure would face Illinois Street. All five buildings would frame an internal mid-block courtyard/open space. The height of the two new infill buildings proposed for Third Street would not exceed 35 feet for the first 20 feet of depth measured at a perpendicular line from the Third Street property line. The height of these two buildings would rise to 50 feet beyond the 20-foot property-line setback described above. Part of the 50-foot-tall, set-back portion of the new building located between the historic 2225 Third Street and 2255 Third Street buildings would bridge over a portion of the roof of the existing one-story historic building at 2255 Third Street.

The proposed project would contain a total of about 242,185 sq.ft. of floor area and include about 179 residential units; 5,262 sq.ft. of restaurant uses; 11,434 sq.ft. of ground-floor retail space (including basement space) along Third Street; and 2,393 sq.ft. of day-care services (see Figure 3 – Proposed Project Site Plan, page 27). The proposed project would also include a partially subterranean garage, below-grade at Third Street and partially below-grade with access at Illinois Street for about 157 parking spaces (36 independently accessed, one off-street car-share space, and 120 stacked), 50 bicycle spaces, and two off-street loading spaces (one on Third Street and another on Illinois Street). Fifteen percent of the total dwelling units, or about 27 units, would be designated

as Below Market Rate (BMR) units pursuant to the City's Residential Inclusionary Affordable Housing Program.⁴

Pedestrians would enter the proposed project from three recessed plazas located off Third Street and one pedestrian stairway from Illinois Street. The proposal includes about 8,884 sq.ft. of common usable open space in the form of a large internal landscaped courtyard, roof-top open space, and three new publicly accessible "pocket plazas" along the Third Street frontage. The proposed project would also include approximately 4,800 sq.ft. of private usable open space in the form of 83 individual terraces and balconies.

Of the 179 units proposed, the approximate break-down of unit types would be as follows:

<u>Studios</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Total Units</u>
63	81	30	5	179
35%	45%	17%	3%	100%

The proposed project would require a *General Plan* amendment and rezoning of the project site from its current M-2 (Heavy Industrial) zoning to create a temporary "Central Waterfront Neighborhood Plan Demonstration District" that would enact most of the zoning controls proposed for the project site in the December 2002 draft *Central Waterfront Neighborhood Plan (CWNP)*, including a new 65-foot height designation.

More specifically, the proposed "Central Waterfront Neighborhood Plan Demonstration District" (*CWNP* Demonstration District) would be consistent with the Central Waterfront Mixed Use Residential District (MURD) proposed in the Draft *CWNP* and would do the following only on the project site:

- Eliminate dwelling unit density restrictions;
- Designate residential as a principally permitted use;
- Limit retail and office uses to the first and second stories;

⁴ On August 1, 2006, the Board of Supervisors adopted amendments to *Planning Code* Section 315, increasing the percentage of required inclusionary housing units to 15 percent on-site or 20 percent off-site. However, pursuant to *Planning Code* Section 315.3(b)(2), the increased percentage requirements are not applicable to projects for which an environmental evaluation application was filed prior to July 18, 2006, or that do not require zoning map amendments or *Planning Code* text amendments that would result in a net increase in the number of permissible residential units. Because the proposed project would require a zoning map and *Planning Code* text amendments that would result in a net increase in the number of permissible residential units, the 15 percent requirement would apply to the project.

- Eliminate minimum parking ratios; and
- Require that parking be "unbundled" from the rental or sale of residential units.

The proposed *CWNP* Demonstration District would expire when a final *CWNP*, including zoning controls, is adopted by the Board of Supervisors and implemented by the City.

As noted above, the project site is located in the Draft *CWNP* area, a portion of the City bounded by Mariposa Street on the north, San Francisco Bay on the east, Islais Creek on the south, and Interstate Highway 280 on the west. The *CWNP* process was launched by the Department in 1999 as part of its Better Neighborhoods 2002 community planning initiative. In 2005, the Department included the *CWNP* area within the scope of an EIR being prepared for the *Eastern Neighborhoods Rezoning and Community Plans* area (the Eastern Neighborhoods rezoning EIR) because of the proximity to the Eastern Neighborhoods rezoning study area and because many concerns that affect the Eastern Neighborhoods are also applicable to the *CWNP*. The Eastern Neighborhoods rezoning EIR will analyze the environmental effects of proposed revisions to the *General Plan* and *Planning Code* (zoning) controls governing three of the City's Eastern Neighborhoods rezoning study areas, in addition to the *CWNP*. Those neighborhoods include the Mission District, Showplace Square/Potrero Hill, and Eastern SoMa. All four neighborhood plans, including the *CWNP*, would permit residential development in some areas that currently permit PDR uses while also preserving an adequate supply of PDR space needed for projected future PDR job growth. The proposed Eastern Neighborhoods rezoning study area would introduce new use districts, including several mixed-use districts similar to the Central Waterfront MURD as well as zoning districts designed solely for PDR or housing. The Planning Department has proposed three rezoning options (A, B, and C) plus a 'No Project' alternative for consideration. The options vary by the degree to which they would permit lands currently zoned to allow industrial uses to be converted to residential or mixed-use districts: Option A would permit the least amount of such conversion, while Option C would permit the greatest conversion.

The proposed rezoning would also include changes to existing height and bulk districts in some areas. Because the project site is located within the Eastern Neighborhoods rezoning area in a zoning district (M-2) that currently permits a range of PDR uses, this EIR studied the proposed project's potential to contribute to cumulatively significant land use effects in the Eastern Neighborhoods rezoning study area. It is anticipated that the Eastern Neighborhoods rezoning EIR will determine the significance of the cumulative land use effects of the Eastern Neighborhoods rezoning by

analyzing its effects on the City's ability to meet its future PDR space needs as well as its ability to meet its housing needs as expressed in the City's *General Plan*.

As part of this analysis, it is anticipated that the Eastern Neighborhoods rezoning EIR will incorporate information generated in two studies commissioned by the Department. The first report, entitled *Supply/Demand Study for Production, Distribution and Repair (PDR) in San Francisco's Eastern Neighborhoods* was prepared by Economic and Planning Systems (EPS) and published in April 2005 (hereinafter referred to as the *EPS Report*). The second study, entitled *San Francisco's Eastern Neighborhood Rezoning Socioeconomic Impacts*, was first published in May 2006 by Hausrath Economics Group, with a subsequent revised draft published in March 2007 (hereinafter referred to as the *Draft Hausrath Report*). The *EPS Report* estimates and compares the future 25-year demand and supply of PDR space under the "Option B" rezoning of the Eastern Neighborhoods area.⁵ The *Draft Hausrath Report* builds on the work in the *EPS Report* to further explore the socioeconomic impacts related to the Eastern Neighborhoods rezoning study area.

C. MAIN ENVIRONMENTAL EFFECTS

This focused EIR assesses the proposed project's potential contribution to cumulative significant land use changes in the Eastern Neighborhoods rezoning study area by assessing its cumulative effects on the City's ability to meet its future (1) PDR space needs, and (2) housing needs as expressed in the City's *General Plan*. CEQA defines a significant effect on the environment as a substantial, or potentially substantial, adverse change in a physical environmental condition (CEQA Guidelines Section 15382).

As discussed in the Initial Study, the social and economic changes resulting from a project should not be treated as significant effects on the environment under CEQA unless they involve substantial physical impacts. However, the social and economic effects of a substantial physical change may be used to determine if it is adverse (CEQA Guidelines Section 15064(e)). Thus, if the physical change caused by a project were substantial, and the social and economic effects caused by the substantial physical change were adverse, then the physical change would be a significant effect under CEQA.

⁵ The *EPS Report* revised Option B from the version presented in the *Eastern Neighborhoods Workbook* to remove all land from the Western SoMa plan area but to include the *CWNP* area.

For example, the cumulative approval and construction of many housing projects in primarily industrial areas of the Eastern Neighborhoods where little housing development existed before may cause a substantial physical change in terms of land use character, but not necessarily an adverse change. For example, the draft *CWNP* proposes rezoning a one- to two-block-wide corridor along Third Street stretching from Mariposa to 25th Street from M-2 to MURD. This rezoning would encourage mixed-use residential development in areas currently characterized by a mix of older multi- and single-story industrial and warehouse-style buildings housing an assortment of commercial uses, including many PDR businesses. After the rezoning, the physical character of this area would likely become more residential, as mixed-use residential buildings gradually replace existing building stock, and in some cases, displace existing PDR uses. Average building heights are likely to increase and architectural styles are likely to change as individual parcels are redeveloped with residential and small-scale commercial uses. The intensity of residential and mixed-use development could increase on the west side of Third Street, particularly between 22nd and 25th Streets, where the height limit would increase from 50 to 65 and 85 feet. Existing activity and traffic patterns may also change as the area becomes more residential, with increased nighttime activity and pedestrian traffic, and less commercial truck and utility vehicle traffic. The addition of residents may also increase the vitality of neighborhood commercial uses along the Third Street corridor.

If this cumulatively substantial physical change in land use character resulted in adverse social and economic effects, specifically the loss of projected future PDR jobs due to a future shortage of PDR space or by preventing the City from meeting its housing needs as expressed in the *General Plan*, this cumulatively substantial physical change in land use character would be considered a significant effect. Therefore, the first question analyzed in this EIR is whether the proposed project would contribute to a cumulatively substantial physical land use change, and the second question is whether this substantial physical land use change would be adverse based on its contribution to the two potential adverse social and economic effects described above.

All other potential environmental effects were found to be less than significant or reduced to a less-than-significant level with mitigation measures that the project sponsor would implement. (Please see the Initial Study, included in this document as Appendix A, for analysis of other environmental issues.) A section on other CEQA issues is also included in this EIR.

LAND USE (page 50)

The proposed project could contribute to cumulatively significant land use changes in the Eastern Neighborhoods rezoning area based on its cumulative impact on the City's ability to meet its future: (1) PDR space needs to accommodate projected future PDR job growth; and (2) housing needs as expressed in the City's *General Plan*.

Future PDR Space Needs in the Eastern Neighborhoods Rezoning Area

While the project site is not designated as a future "PDR-only" district in any of the rezoning options being considered for the Eastern Neighborhoods rezoning area, because its current M-2 zoning would permit future PDR development, the project site would be considered part of the City's PDR space affected by cumulative land use changes related to the future Eastern Neighborhoods rezoning. Because the proposed project would develop buildings containing a mix of residential, day care, and neighborhood retail and restaurant uses and no PDR space, it would foreclose future PDR use of the site, thereby reducing the total amount of space available to meet the City's projected PDR space needs by about 50,000 sq.ft. Based on a series of conservative assumptions, the *EPS Report* projects the future 25-year demand for PDR land to be about 27 million sq.ft.⁶ The 50,000-square-foot project site represents 0.18 percent of this estimated future demand. As discussed in the Project Setting section, the *EPS Report* concludes that a sufficient supply of land to meet future PDR demand would exist under the Eastern Neighborhoods rezoning Option B, if planned industrial space at Hunters Point Shipyard and portions of the Port's maritime industrial lands are included in the calculations of future PDR land. However, if these lands are excluded from the future PDR space, the Eastern Neighborhoods rezoning Option B would result in a cumulative deficit of about 3.7 million sq.ft. of PDR-only land. If a more housing-intensive Eastern Neighborhoods rezoning scheme such as Option C were adopted by the Board of Supervisors, or if the industrially-zoned lands at Hunters Point and on Port property were unavailable for future PDR uses, the proposed project could contribute to a cumulative deficit of future PDR space. A future shortage of PDR space caused by the rezoning could, in turn, contribute to future PDR job loss which, for purposes of this EIR, would be considered an adverse social and economic effect. On the other hand, the *Draft*

⁶ Economic & Planning Systems, Inc., Final Report, *Supply/Demand Study for Production, Distribution, and Repair (PDR) in San Francisco's Eastern Neighborhoods* prepared for City and County of San Francisco, April 15, 2005, pages 4, 5, and 7. This report is available online for public review at: <http://www.sfgov.org/site/uploadedfiles/planning/Citywide/pdf/14158FinRpt1.pdf>, accessed for this report on March 6, 2007.

Hausrath Report concludes that, in the long-term, the Eastern Neighborhoods rezoning "offers the possibility of more location advantages for PDR activity in San Francisco and therefore more PDR business activity and jobs than would otherwise be the case if there was no rezoning."⁷ However, for purposes of a conservative environmental analysis, this EIR assumes a worst case scenario: that future PDR job loss under the rezoning would be greater than future PDR job loss under existing zoning. Therefore, because the proposed project's contribution to cumulatively substantial physical land use change in the Eastern Neighborhoods rezoning area could potentially cause an adverse social and economic effect, the project's contribution to cumulative land use effects in the Eastern Neighborhoods would be considered significant

San Francisco's Housing Needs as Expressed in the *General Plan*

The City's *Housing Element*, part of the *General Plan*, incorporates a set of six-year housing production goals ("housing need determinations") assigned by the Association of Bay Area Governments (ABAG).⁸ San Francisco's "fair share" of the regional housing need for the period covering January 1999 through June 2006 (a 7.5 year period) was 20,372 units, or 2,717 units per year, 64 percent of which is targeted to moderate, low, and very low income households.⁹ The City has chronically under-produced housing, satisfying only 41 percent of its total housing production goals for the 1989-1998 period and 65 percent for the 1999-2006 period. While the *Housing Element* indicates that there are "more than enough in-fill housing opportunity sites to meet... projected housing needs,"¹⁰ a chronic and substantial shortfall in annual capital subsidies prevents the City from meeting its below-market-rate (BMR) affordable housing production goals.¹¹ Because the City's past housing production has consistently under-produced both market-rate and BMR units affordable to moderate, low-, and very low-income households, it can be assumed that future cumulative residential development would also fall short of meeting the City's housing production

⁷ *Draft Hausrath Report*, p. 38.

⁸ The numbers supplied by ABAG are "goal numbers" and often exceed anticipated growth in housing units that cities and counties expect to actually produce in a given year. Every city and county in the nine-county ABAG region must plan for the level of growth assigned by this process, in the state-mandated update of their respective *General Plan Housing Elements*.

⁹ See Table I-50, page 80, of Part I of the *Housing Element*. The City does not prepare an independent estimate of long-range housing need; however, the current ABAG housing needs determination goals can be used on an on-going basis as a rough approximation.

¹⁰ See page 121 and the Inventory of Land Suitable for Residential Development, Section IV, Part I of the *Housing Element*.

¹¹ See page 121, Part I of the *Housing Element*.

goals. However, the proposed project would contribute towards the City's housing production goals as set forth in the *General Plan* in the following ways:

- Produce 179 new units or six percent of the *Housing Element's* total annual housing production target of 2,853 units.¹²
- Produce 27 inclusionary on-site BMR units reserved for low-income renter households.¹³ These new BMR units would contribute towards seven percent of the City's 373-unit low-income annual housing production target set forth in Part I of the City's *Housing Element* (Table I-66, page 121).
- Produce a high-density, transit-oriented housing development on under-utilized industrially-zoned land immediately adjacent to the new T-Third Street Muni Metro Light Rail in a location designated as suitable for such development both in the Part II of the *Housing Element* and in the *Draft CWNP*.

For all of the above reasons, the proposed project would not adversely affect the City's ability to meet its housing needs as defined in the *General Plan*. The proposed project would contribute to the City's annual housing production targets. A combination of chronic shortfalls in capital subsidies and other city-wide problems independent of the proposed project or cumulative development in the Eastern Neighborhoods rezoning study area would likely prevent the City from meeting its annual BMR affordable housing production targets. As such, the proposed project would not contribute to a cumulatively significant land use effect related to the City's ability to meet its housing needs.

D. MITIGATION AND IMPROVEMENT MEASURES (page 81)

Measures preceded by an asterisk ("*") are from the Initial Study. Improvement measures have been identified to reduce impacts that have been found to be less than significant. Improvement measures may be required by decision-makers as conditions of project approval.

* MITIGATION MEASURE 1

Construction Noise Control Measures

The project sponsor shall require the construction contractor(s) to implement the following standard noise construction control measures:

¹² The housing production target includes a 5 percent market vacancy rate (136 units + 2,717 units = 2,853 units). *Housing Element*, Part I, "Section III, Housing Needs, A, Overall Housing Needs," page 65.

¹³ *Planning Code* Sections 315 to 315.9 set the affordable housing requirements. The proposed 179 units would include 15 percent BMR units or 27 units.

- Equip all internal combustion engine driven equipment with intake and exhaust mufflers which are in good condition and appropriate for the equipment.
- Locate stationary noise generating equipment as far as possible from sensitive receptors when sensitive receptors adjoin or are near a construction project area.
- Utilize "quiet" air compressors and other stationary noise sources where technology exists.
- The contractor shall prepare a detailed construction plan identifying the schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with the adjacent noise sensitive facilities so that construction activities can be scheduled to minimize noise disturbance.
- Designate a "disturbance coordinator" who would be responsible for responding to any local complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and will require that reasonable measures warranted to correct the problem be implemented. The project sponsor shall conspicuously post a telephone number for the disturbance coordinator at the construction site and include it in the notice sent to neighbors regarding the construction schedule.
- Prohibit large trucks from accessing the construction site prior to 7:00 a.m.

*** MITIGATION MEASURE 2**

Construction Air Quality Measures

The project sponsor shall require the construction contractor(s) to spray the project site with water during demolition, excavation, grading, and site preparation activities; spray unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other such material; cover trucks hauling debris, soils, sand or other such material; and sweep surrounding streets during these periods at least once per day to reduce particulate emissions. Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the project sponsor shall require the construction contractor(s) to obtain reclaimed water from the Clean Water Program for this purpose.

The project sponsor shall require the project contractor(s) to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants, by such means as prohibiting idling motors when equipment is not in use or when trucks are waiting in queues, and implementing specific maintenance programs to reduce emissions for equipment that would be in frequent use for much of the construction period.

* MITIGATION MEASURE 3

Hazards (Lead-Contaminated Soil)

Step 1: Determination of the Presence of Lead-Contaminated Soil

Prior to approval of a building permit for the project, the project sponsor has hired a consultant to collect soil samples (borings) from areas on the site in which soil would be disturbed and test the soil samples for total lead.

Step 2: Handling, Hauling, and Disposal of Lead Contaminated Soils

- Specific work practices: Based on the results of the soil tests conducted, DPH determined that the soils on the project site are contaminated with lead or other contaminants at or above potentially hazardous levels. Therefore, the construction contractor shall undertake the soil remediation work specified in the SMP in the manner specified in the SMP. Further, the construction contractor should be alert for the unlikely presence of such soils during other construction activities on the site (detected through soil odor, color, and texture and results of on-site soil testing), and shall be prepared to handle, profile (i.e., characterize), and dispose of such soils appropriately (i.e., as dictated by local, state, and federal regulations, including OSHA lead-safe work practices) when such soils are encountered on the site.
- Dust Suppression: Soils exposed during excavation for site preparation and project construction activities shall be kept moist throughout the time they are exposed, both during and after work hours.
- Surface Water Runoff Control: Where soils are stockpiled, visqueen shall be used to create an impermeable liner, both beneath and on top of the soils, with a berm to contain any potential surface water runoff from the soil stockpiles during inclement weather.
- Soils Replacement: If necessary, clean fill or other suitable material(s) shall be used to bring portions of the project site, where contaminated soils have been excavated and removed, up to construction grade.
- Hauling and Disposal: Contaminated soils shall be hauled off the project site by waste hauling trucks appropriately certified with the State of California and adequately covered to prevent dispersion of the soils during transit, and shall be disposed of at a permitted hazardous waste disposal facility registered with the State of California.

Step 3: Report Filing and Inspection Scheduling

The DPH, Environmental Health-Hazardous Waste Unit (EHS-HWU) has approved the mitigation plan and expects that a final health and safety plan will be submitted two weeks

before work the soil remediation work commences and then contacted again one week before work commences to schedule inspections.

Step 4: Preparation of Closure/Certification Report

After soil remediation and foundation construction activities are completed, the project sponsor shall prepare and submit a closure/certification report to DPH for review and approval. The closure/certification report shall include the mitigation measures in the SMP for handling and removing contaminated soils from the project site, whether the construction contractor modified any of these mitigation measures, and how and why the construction contractor modified those mitigation measures.

*** MITIGATION MEASURE 4**

Hazards (PCBs)

The project sponsor would ensure that building surveys for PCB-containing equipment (including elevator equipment), hydraulic oils, and fluorescent lights are performed prior to the start of demolition. Any hazardous materials so discovered would be abated according to federal, state, and local laws and regulations.

*** MITIGATION MEASURE 5**

Archeological Resources (Accidental Discovery)

The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in *CEQA Guidelines* Section 15064.5(a)(c). The project sponsor shall distribute the Planning Department archeological resource "ALERT" sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); or utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken each contractor is responsible for ensuring that the "ALERT" sheet is circulated to all field personnel including, machine operators, field crew, pile drivers, supervisory personnel, etc. The project sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the Alert Sheet.

Should any indication of an archeological resource be encountered during any soils disturbing activity of the project, the project Head Foreman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.

If the ERO determines that an archeological resource may be present within the project site, the project sponsor shall retain the services of a qualified archeological consultant. The archeological consultant shall advise the ERO as to whether the discovery is an archeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archeological resource is present, the archeological consultant shall identify and evaluate the archeological resource. The archeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor.

Measures might include: preservation in situ of the archeological resource; an archeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is required, it shall be consistent with the Major Environmental Analysis (MEA) division guidelines for such programs. The ERO may also require that the project sponsor immediately implement a site security program if the archeological resource is at risk from vandalism, looting, or other damaging actions.

The project archeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describing the archeological and historical research methods employed in the archeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.

Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public

interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.

*** IMPROVEMENT MEASURE 1**

Parking

As a means to reduce the project's parking shortfall, the project sponsor could consider implementing one or more of the following improvement measures:

- To encourage restaurant, and retail employees to use alternate means of travel, the project sponsor could provide (or require the individual restaurant and retail tenants to provide) reduced rate or free transit passes.
- The project sponsor could provide on-site transit information (such as schedules, fare guides, and maps) and provide transit maps and directions for transit at the project's web site (if available).
- The project sponsor could coordinate with a car-sharing service certified under *Planning Code* Section 166 to promote the use of car-sharing by residents.
- Although the project would provide bicycle parking spaces that could be used by restaurant, and retail users, to further encourage bicycle use by employees, the project sponsor could provide separate shower and locker facilities.

*** IMPROVEMENT MEASURE 2¹⁴**

Construction

Although construction impacts would be temporary, if determined needed, truck turning movements could be limited to the hours between 9:00 a.m. and 3:30 p.m. (or other times, if approved by the Metropolitan Transportation Authority (MTA)). This would minimize disruption of the general traffic flow on adjacent streets during the a.m. and p.m. peak periods.

The project sponsor and construction contractor(s) would meet with the Traffic Engineering Division of the MTA, the Fire Department, and the Planning Department to determine feasible measures to reduce traffic congestion, including transit disruption and pedestrian circulation impacts during construction of the proposed project. Prior to starting construction, the Project Sponsor should contact the MUNI Street Operations and Special Events Office, to coordinate construction activities.

¹⁴ A loading improvement measure that was identified in the Initial Study is no longer necessary since the project increased loading capacity to accommodate anticipated demand.

E. GROWTH INDUCEMENT (page 87)

The proposed project would increase the daily population on the vacant project site to about 315 new residents and 60 new employees. Because of the current demand for housing, combined with the April 2007 opening of the new MUNI Metro T-Third Street Light Rail, which would exist with or without the project, the proposed project would not induce substantial growth or concentration of population beyond that which would have occurred without the project. Some project residents may relocate from other parts of the Bay Area to be closer to their employment in Mission Bay or downtown San Francisco. To the extent that this occurs, the project would likely reduce the length of commutes by motor vehicles. For these reasons, the proposed project would not cause significant growth-inducing impacts.

F. SIGNIFICANT ENVIRONMENTAL EFFECTS THAT CANNOT BE AVOIDED IF THE PROJECT IS IMPLEMENTED (page 88)

The proposed project, with mitigation measures, would have the following unavoidable significant cumulative land use effect:

- The cumulative mixed-use and residential development anticipated to occur under Option B or another Eastern Neighborhoods rezoning option may or may not provide enough PDR space to meet projected future growth in PDR jobs, depending on a variety of factors and assumptions. Notably, the *Draft Hausrath Report* concludes that with or without rezoning, there would be PDR job loss, but that the Eastern Neighborhoods rezoning offers the long-term possibility of more PDR business activity and jobs than would otherwise be the case.¹⁵ However, given the uncertainty surrounding future growth in PDR jobs, future PDR job loss under existing zoning, and the final outcome of the Eastern Neighborhoods rezoning process, this EIR assumes a worst case scenario where there is both strong future PDR job growth and demand for PDR space, where space suitable for PDR development in Hunters Point, Port property, and the Western SoMa is unavailable and where a more housing intensive rezoning option than "Option B" is approved. Under this worst case scenario, the proposed project would contribute to a greater deficit in PDR space than would otherwise occur under existing zoning, thereby contributing to greater future PDR job loss than would otherwise occur under existing zoning. For purposes of this EIR, this future PDR job loss would be considered an adverse social and economic effect. Therefore, because the proposed project's contribution to cumulatively substantial physical change in land use character in the Eastern Neighborhoods rezoning area would potentially cause an adverse social and economic effect, the project's contribution to cumulative land use effects in the Eastern Neighborhoods rezoning area would be considered significant and unavoidable.

¹⁵ *Draft Hausrath Report*, pp. 38-41

With implementation of the mitigation measures outlined in Chapter IV: Mitigation Measures Proposed to Minimize the Potential Adverse Impacts of the Proposed Project of this report, all other potential significant impacts would be reduced to a less-than-significant level.

G. ALTERNATIVES TO THE PROPOSED PROJECT (page 91)

Alternative A: No Project Alternative

The No Project Alternative would not change the two existing historic buildings surrounded by vacant, undeveloped land. The proposed residential project, with ground-floor retail and restaurant uses, would not be built and the height limits on the site would not be increased from 50 feet to 65 feet. This alternative, however, would not preclude future proposals for redevelopment of the project site for uses permitted under any of the three land use controls: (1) the existing M-2 Zoning District and the 50-X Height and Bulk District; (2) the existing interim "Mixed-Use Housing Zone" Planning Commission Policy (Resolution No. 16202); or (3) the future MURD zoning proposed in the December 2002, *Draft CWNP*. A wide range of uses are permitted in the M-2 Zoning District since it is the City's least restrictive zoning district. Heavier industrial uses are permitted with fewer screening and enclosure requirements, but often by Conditional Use (CU) authorization or at considerable distance from residential districts. Residential uses would be permitted with CU authorization. In the interim Mixed-Use Housing Zone, the Planning Commission exercises its discretionary review authority to "encourage mixed-use housing development, especially proposals for housing that maximizes the allowable densities and affordability standards." Principally permitted uses in the proposed MURD of the *Draft CWNP* include residential and office, retail, light PDR uses, and art activities on the ground and second floors. Institutional uses would require a CU authorization, and PDR, heavy PDR, research and development, office, and noxious uses would not be permitted.

If the No Project Alternative were implemented, none of the impacts associated with the proposed project would occur. The significant cumulative land use effect related to PDR space would be avoided, but might arise with a future project proposal. The Initial Study (Appendix A) found that all of the other environmental effects of the proposed project would be less than significant, including effects on visual quality, population, transportation/circulation, noise, air quality/climate, utilities/public services, biology, geology/topography, water, energy/natural resources, hazards, and cultural resources. The mitigation measures specified in Chapter IV, Mitigation and Improvement

Measures, and in the Initial Study (Appendix A), would be required and the project sponsor has agreed to implement them. Under the No Project Alternative, the 179 new residential units, including 27 BMR units, would not be added to the City's housing stock, and would not contribute to the City's housing needs as expressed in the *General Plan*. The No Project Alternative would not meet any of the project sponsor's objectives.

Alternative B: Code-Complying Alternative

Alternative B, the Code-Complying Alternative, would preserve and renovate the two existing historic buildings and construct five new buildings above a new below-grade parking podium. This alternative would include about 195,758 square feet of total floor area and would include about 83 residential units, 45,698 square feet of office uses, 5,262 square feet of restaurant uses, 11,434 square feet of retail space fronting Third Street, and 2,393 square feet of day-care services. The project would provide 10 BMR units, or 12 percent of the total, meeting the City's Inclusionary Affordable Housing Program requirements.¹⁶ The 121-space below-grade parking garage would be accessed from Illinois Street and would include 81 independently accessible spaces, one off-street car-share space, 40 stacked spaces, and 25 bicycle spaces. As with the proposed project, it would include two off-street loading spaces, one at street-level off Third Street and a second one located at the southern edge of the Illinois Street façade. There would also be an on-street freight-loading zone in front of the Illinois Street buildings. The two new structures facing Third Street would be 35 feet (three stories) tall and beyond a 20-foot setback from the property line would be 50 feet (five stories). The three new buildings facing Illinois Street would be 50 feet tall (five stories).

The alternative is similar to the proposed project, differing only in a few respects: 19 percent less total square feet (195,758 vs. 242,185), 54 percent fewer residential units (83 vs. 179), 100 percent more office space (45,698 vs. 0), 23 percent fewer parking spaces (121 vs. 157), and two more buildings on Illinois Street with all three buildings being 15 feet shorter than the proposed project's one, 65-foot high building.

The Code-Complying Alternative would not exceed the density allowed under current zoning or the 50 feet in height allowed under the existing 50-X height and bulk district. As such, it would be consistent with the existing MUHZ designation under the interim policies of Planning Commission

¹⁶ Because the Code-complying alternative would not rezone the project site to increase heights or density, the higher 15 percent inclusionary housing standard would not apply.

Resolution No. 16202. This alternative would not require a *General Plan* amendment to create a temporary *CWNP* Demonstration District, including the height reclassification. This alternative would require CU authorization from the Planning Commission for a PUD that would permit the following: (1) residential use in an M-2 zoning district; (2) 83 dwelling units for the subject site; (3) provision of open space in a central courtyard in lieu of a conventional 25 percent rear yard; and (4) an exception from Section 140 regarding dwelling unit exposure requirements for those units not fronting onto a public right-of-way.

The Code-Complying Alternative's environmental impacts would not be expected to differ substantially from those of the proposed project because its land uses would not be substantially different. It would have the same significant and unavoidable cumulative significant land use effect related to the City's future PDR space needs.

Mitigation measures identified in Chapter IV: Mitigation and Improvement Measures Proposed to Minimize the Potential Adverse Impacts of the Proposed Project would reduce the impacts of both this alternative and the proposed project on construction noise and air quality, hazardous materials (lead-contaminated soils and PCBs), and archeological cultural resources to less-than-significant levels. This alternative's smaller size and intensity would generate less impacts than the proposed project's other less-than-significant effects in the Initial Study evaluated (see Appendix A), including visual quality, population, operational noise, transportation, air quality, shadow, wind, geology and seismicity, hazards, utilities, and public services.

The Code-Complying Alternative would not meet the project sponsor's objectives of providing the desired mix and number of residential units and retail space in the Central Waterfront area.

Alternative C: PDR Mixed-Use Alternative

Alternative C, the PDR Mixed-Use Alternative, would be physically identical to the proposed project, including exterior design and open space, with the sole exception of the inclusion of about 26,500 sq.ft. of PDR space that would occupy a portion of the basement-level parking garage and all of the former residential areas on the podium level of the Illinois Street building. Conversion of this interior space would result in about 157 residential units compared to 179 units for the proposed project, or about 22 fewer units. There would be 24 BMR units (15 percent of 157) compared to 27 BMR units in the proposed project. There would still be about 5,262 square feet of restaurant uses,

11,434 square feet of retail space fronting Third Street, and 2,393 square feet of day-care services. The parking garage would have about 118 parking spaces, compared to the proposed project's 157 spaces. As with the proposed project, there would be two off-street loading spaces; one located at street level off Third Street and a second one located at the southern edge of the Illinois Street façade. Like the proposed project, there would also be an additional on-street freight-loading zone located in front of the Illinois Street buildings. This Alternative would also provide roll-up doors on Illinois Street to serve the PDR space located directly off Illinois Street in the former garage space.

As with the proposed project, Alternative C would also require a *General Plan* amendment and rezoning of the project site from its current M-2 (Heavy Industrial) zoning to create a temporary "Central Waterfront Neighborhood Plan Demonstration District" that would enact most of the zoning controls proposed for the project site in the December 2002 draft *Central Waterfront Neighborhood Plan (CWNP)*, including a new 65-foot height designation.

The PDR Mixed-Use Alternative's environmental impacts would not be expected to differ substantially from those of the proposed project. The addition of about 26,500 sq.ft. of PDR space and 22 fewer units would have similar environmental effects. The PDR space could reduce the proposed project's significant and unavoidable cumulative land use effect related to the City's future PDR space needs, however, not to the degree that would render the effect less than significant, given the assumptions identified in this EIR about future cumulative land use change in the Eastern Neighborhoods planning area. The residential units would contribute to the City's ability to meet its housing needs as expressed in the *General Plan*, although to a lesser degree than the proposed project.

Mitigation measures identified in Chapter IV: Mitigation and Improvement Measures Proposed to Minimize the Potential Adverse Impacts of the Proposed Project would reduce the impacts of both this alternative and the proposed project on construction noise and air quality, hazardous materials (lead-contaminated soils and PCBs), and archeological cultural resources to less-than-significant levels. The PDR Mixed-Use Alternative would have about the same or slightly greater impacts than the proposed project's less-than-significant effects on visual quality, population, operational noise, transportation, air quality, shadow, wind, geology and seismicity, hazards, utilities, and public services. See the Initial Study (Appendix A) for discussion of these impacts.

The PDR Mixed-Use Alternative would not meet the project sponsor's objectives of providing the desired mix and number of residential units and retail space in the Central Waterfront area, however, this alternative would be considered -the environmentally superior alternative, because it would reduce the project's potential contribution to cumulatively significant land use effects, but not to a less-than-significant level.

H. AREAS OF CONTROVERSY AND ISSUES TO BE RESOLVED (page 88)

This Draft EIR assesses the proposed project's contribution to cumulatively significant land use changes in the Eastern Neighborhoods rezoning area based on its cumulative impacts on the City's ability to meet its future (1) PDR space needs and (2) housing needs as expressed in the City's *General Plan*. The Initial Study (see Appendix A) found that all other environmental effects would be less than significant, with implementation of mitigation measures for construction noise, air quality, hazardous materials, and archeological resources.

On July 22, 2006, the Planning Department issued a "Notice of Preparation of an Environmental Impact Report." Individuals and agencies that received these notices included owners of properties within 300 feet of the project site, tenants of properties adjacent to the project site, and other potentially interested parties, including various regional and state agencies.

With the publication of the Draft EIR, there will be another public comment period on the adequacy and accuracy of the environmental analysis of the Draft EIR from April 7 to May 21, 2007. Following the Planning Department's publication and distribution of the written responses to all comments received on the Draft EIR (the C&R document), the EIR will go before the Planning Commission for certification. After the EIR certification, the Planning Commission (or the Board of Supervisors on appeal) will decide on project approval.

II. PROJECT DESCRIPTION

The project sponsor, Martin Building Company, proposes to preserve and renovate two existing historic buildings and construct three new buildings above a new below-grade parking podium. In total, these buildings would contain about 242,185 sq.ft. of floor area, including about 179 residential units, 5,262 sq.ft. of restaurant uses, 11,434 sq.ft. of retail space fronting Third Street, 2,393 sq.ft. of day-care services, a below-grade parking garage accessed from Illinois Street with about 157 parking spaces, 50 bicycle spaces, and two off-street loading spaces. The two new structures fronting Third Street would be 35 feet (three stories) tall and beyond a 20-foot setback from the property line would be 50 feet (five stories) in height. The new building facing Illinois Street would be 65 feet tall (six stories) in height.

Table 1 Characteristics -- 2225-2255 Third Street Project	
Use/Characteristic	Area/Amount
Parking	94,200 gross sq.ft.
Residential	117,312 gross sq.ft.
Retail	11,434 gross sq.ft.
Restaurant	5,262 gross sq.ft.
Day-Care	2,393 gross sq.ft.
Common Open Space	8,884 gross sq.ft.
Private Open Space	4,800 gross sq.ft.
Total	242,185 gross sq.ft.
Dwelling Units	179
Parking Spaces	157 auto, 50 bicycle, 2 loading
Buildings	5 structures interconnected by a shared basement
Height	Ranging from 18 feet to 65 feet tall
Stories	Range from 1 to 6

Source: During Associates, 2006

A. PROJECT LOCATION AND AREA

The project site is located in the Central Waterfront area of San Francisco, south of Mission Bay, east of Potrero Hill, and north of Islais Creek and the Bayview neighborhood (see Figure 1, page 25). The site is located mid-block on Assessor's Block 4058, Lot 10, the block bounded by Illinois Street on the east, Third Street on the west, Nineteenth Street on the north, and Twentieth Street on the south (see Figures 2 and 3, pages 26 and 27). The topography in the area slopes downwards from Potrero Hill on the west to the San Francisco Bay to the east. Although the topography surrounding the project site drops approximately 12 feet in elevation from Third Street to Illinois Street, the project site has been excavated, so it is at grade with Illinois Street and approximately 12 feet below grade at Third Street. A retaining wall runs along the western boundary of the site below the Third Street grade.

The 50,000-square-foot, mid-block project site consists of two historic buildings surrounded by a vacant former scrap metal yard. The first historic building located at 2225 Third Street is a vacant 34-foot-tall, three-story-above-basement masonry and heavy timber former warehouse that last contained approximately 14,400 sq.ft. of commercial office use. The other historic building located at 2255 Third Street is an 18-foot-tall, one-story-above-basement masonry and heavy timber structure that last contained 8,500 sq.ft. of commercial office use. (These two historic buildings are described in greater detail in Section 13 of the Initial Study, which assessed the project's impacts on these historical resources). The remainder of the project site is an undeveloped area occupying approximately 39,000 sq.ft. that was used as an open-air metal scrap yard in 1999. The former scrap metal yard covers the entire eastern half of the property fronting Illinois Street. A sub-grade railroad spur located on this portion of the property was removed in 2002.

The 1922 building permit for construction of the existing 2255 Third Street building listed its intended use as a "brick foundry and warehouse." The 1924 building permit for construction of the existing 2225 Third Street building listed its intended use as "light manufacturing and warehouse." Both buildings were owned by the Levin family and used in a variety of ways to support the Levin's scrap metal business, which occupied the majority of the vacant lot surrounding the two buildings up until 1999, when the family permanently closed the business.

Under the Department's current land use classification system for the Eastern Neighborhoods area, scrap metal yards are classified as a "heavy industrial" use and are excluded from the definition of

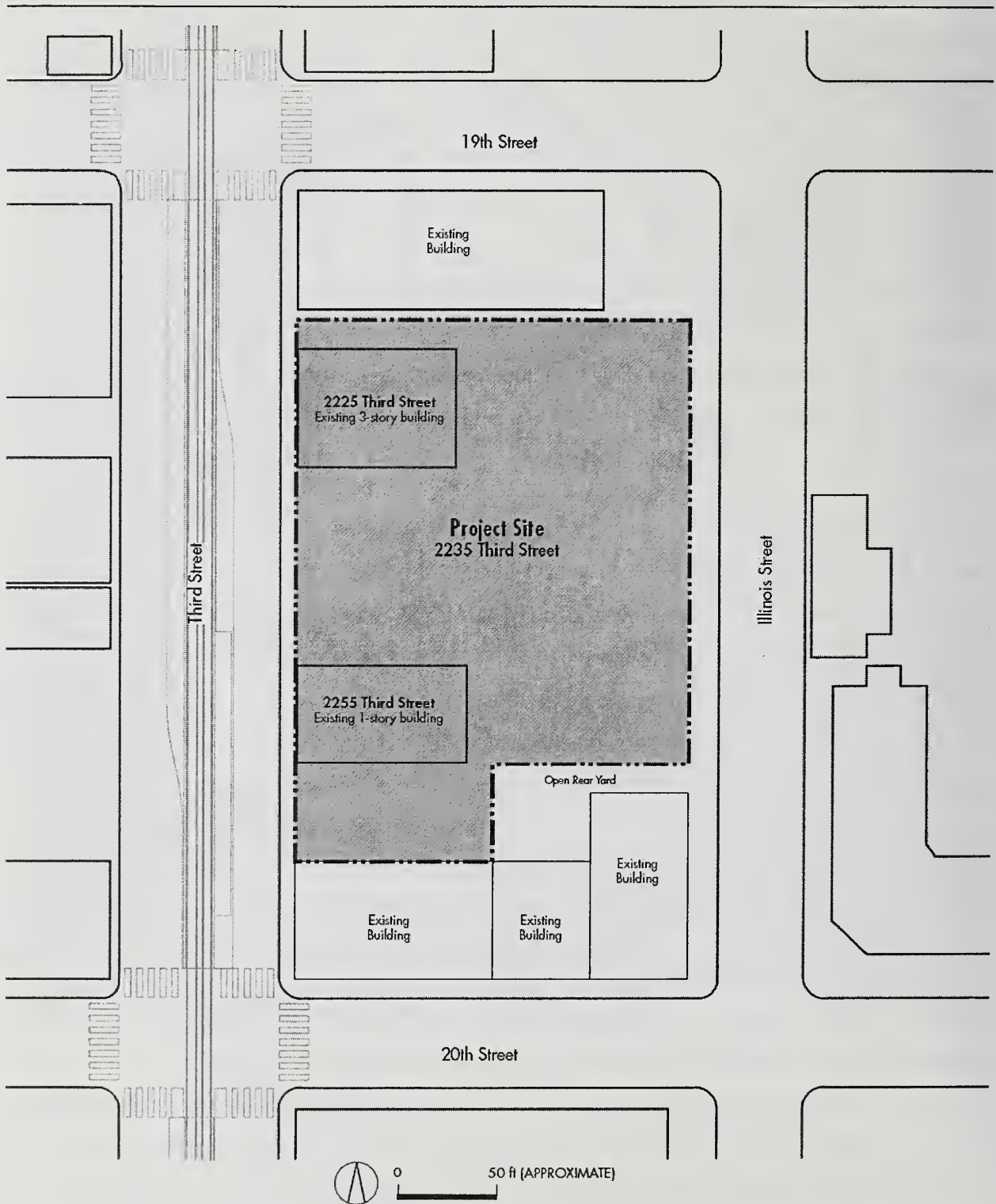


Source: During Associates

5-26-05

Proposed Project Location Figure 1

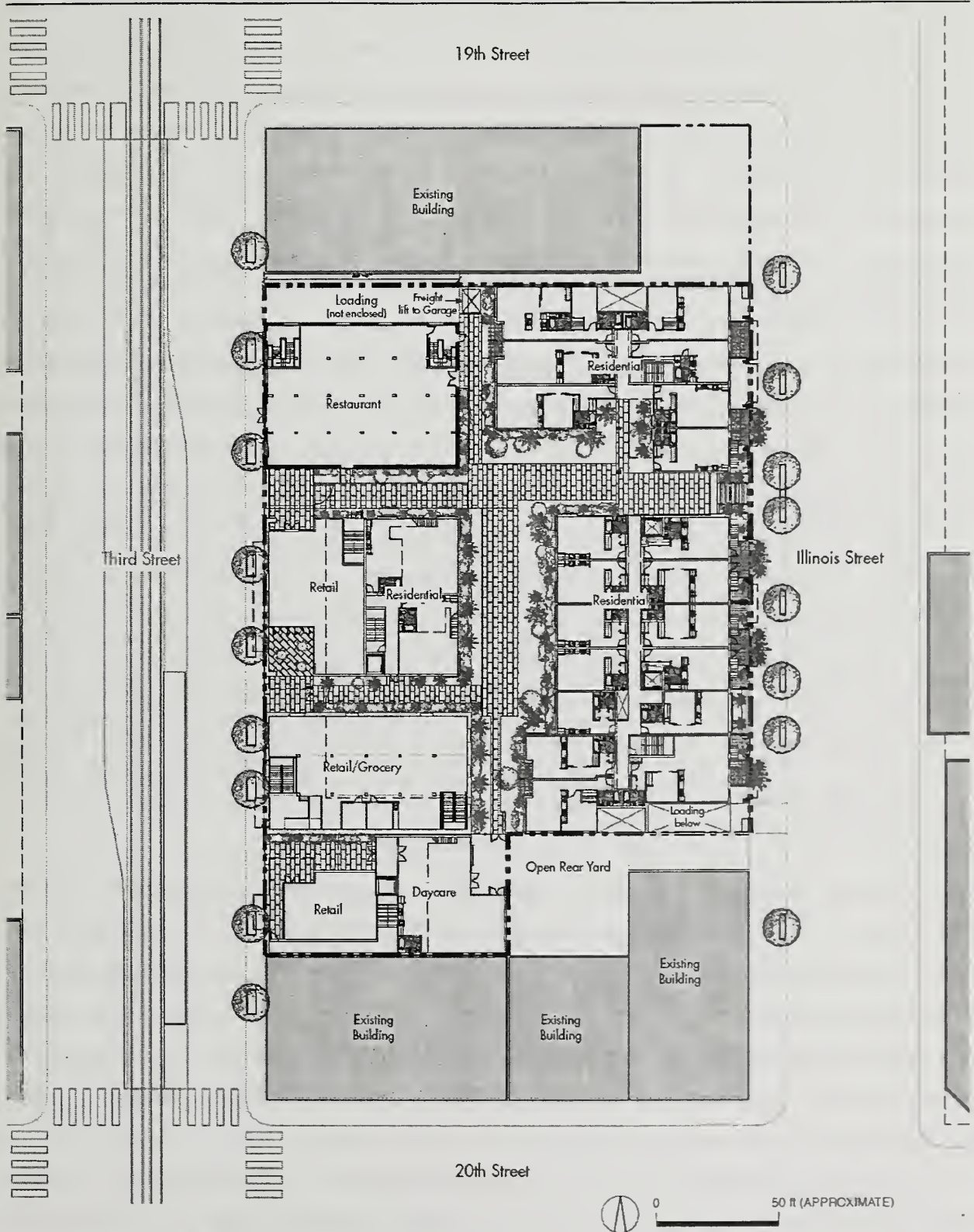
II. PROJECT DESCRIPTION



Source: During Associates

5-26-06

Project Site Map Figure 2



Source: Ian Birchall & Associates

6-29-06

Proposed Site Plan Figure 3

PDR. Therefore, the proposed project would not occupy space once used by a PDR business. Based on the building permit history, the single-story historic building at 2255 Third Street has been classified as an office use since 1968 and the three-story historic building at 2225 Third Street was formally classified as a commercial building in 1988 and then converted to office use in 2000. The site has not been used as a scrap metal yard since 1999. According to the project sponsor, the existing historic buildings have been used to house a variety of temporary office uses since 2000, including the non-profit employment organization (Young Community Builders) and EDAW's summer 2005 design studio.

Immediately to the north of the project site on the same block is a vacant, historic three-story brick building that occupies the southeast corner of Third and Nineteenth Streets and extends approximately 150 feet along Nineteenth Street (2201 Third Street and 555 Nineteenth Street) with a small rear yard extending to Illinois Street. The owner is in the process of renovating this building for future office use. The southern edge of the project site is bordered by three buildings with frontages on 20th and Third Streets. A two-story cinder-block building (888-890 Illinois Street) occupies the southeast corner of the block and contains residential over a ground-floor smoke shop and deli (600-606 Twentieth Street). Just west of the corner building (616 Twentieth Street) is a one-story building containing a restaurant and a bar. A two-story residential/commercial building stands on the northeast corner of Third and Twentieth Streets (2293-2295 Third Street). This building contains residences above a ground floor bar, coffee shop, and upholstery shop on Third Street and a restaurant and a bar on Twentieth Street.

The entire block containing the project site, and most of the blocks surrounding the project site are located within an M-2 (Heavy-Industrial) zoning district. M-2 districts permit a wide range of retail, light or heavy industrial uses, and residential use by CU authorization. The project site is also within a 50-X height and bulk district which encompasses Illinois Street to the east, the I-280 Freeway on the west, Mariposa Street on the north, and Twenty-Fifth Street to the south. The project site is within the Central Waterfront Area Plan of the San Francisco *General Plan* and within the *Mixed Use Housing* area of the Industrial Protection Zone (2001, Planning Commission Resolution No. 16202); this policy encourages mixed-use housing development that maximizes allowable densities and affordability standards at the site. In 1999, the Planning Department began a planning process for the Central Waterfront area as part of its Better Neighborhoods planning initiative. A draft *Central Waterfront Neighborhood Plan (CWNP)* was published in December 2002, which proposed a

new Central Waterfront MURD, and a 65-foot height district for the project site. The Central Waterfront MURD zoning is intended to encourage new housing and neighborhood commercial activities. The controls governing the MURD would permit residential uses on all stories of new buildings. Neighborhood retail, housing-compatible Light PDR, and small office uses would be principally permitted uses on the ground floor; a smaller subset of these commercial uses would be permitted on the 2nd floor; on the third floor and above only housing would be permitted.¹⁷

Immediately west of the project block in the center of Third Street is the 20th Street Station and loading platform for the new T-Third Street Muni Metro light rail line which is scheduled to commence full service in April, 2007. Immediately east of the project block and across Illinois Street is a defunct Port of San Francisco shipyard that contains two large cranes that are considered historic resources.

The adjacent blocks are occupied by a variety of commercial, mixed residential/commercial, live/work, and light industrial buildings ranging between one to five stories, or approximately 15 to 65 feet in height. Across Illinois Street at the corner of Twentieth Street is a three-story vacant office building—the former headquarters for the American Can Company. Directly across Twentieth Street from the project block, at 948 Illinois Street, is an approximately 60-foot-high, full-block former manufacturing plant that has been converted to smaller leased spaces for art, office, and small business uses, and which occupies the full block. The next two blocks across Illinois Street and south of Twentieth Street contain a single-story self-storage facility and the PG&E Potrero Power Plant, both occupying a full block. To the north of the project block across Nineteenth Street at the northwest corner of Illinois Street is a vacant parcel used for parking. Nineteenth Street dead-ends at Illinois Street where there is a partially vacant industrial storage yard. On the west side of Third Street, across from the project site, is a one-story vacant office building (2298 Third Street) and a parking lot, a modern two-story loft/photography studio (2250 Third Street), a one-story tire and brake shop (2230 Third Street), and a two-story building with a boiler and welding business on the corner of Third and Nineteenth Streets (601 Nineteenth Street).

¹⁷ San Francisco Planning Department, Draft Central Waterfront Plan, December 2002, Proposed Land Use Plan, pp. 37-38 and Table: Central Waterfront Proposed Zoning Districts and Uses, p. 38. This report is available online for public review at: http://www.sfgov.org/site/uploadedfiles/planning/neighborhoodplans/pdf/cw_dpr_chapter3_1.pdf, accessed for this report on March 6, 2007.

Small pockets of residential development are also scattered throughout the Central Waterfront neighborhood, from single-family to low density multi-family, to newer live-work loft units. This surrounding residential development is located in three small areas of residential zoning within two blocks of the project site: (1) an RH-2 (Residential, House, Two-Family) zoning district on the west side of Tennessee Street in part of each block north and south of Eighteenth Street; (2) an RH-3 (Residential, House, Three-Family) zoning district in the first part of the block north of Twenty-Second Street between Indiana and Tennessee Streets, and (3) another RH-3 zoning district in part of the block south of Twenty-Second Street on both sides of Tennessee Street. There is also an NC-2 (Neighborhood Commercial, Small-Scale) zoning district along both sides of Twenty-Second Street in the middle of the two RH-3 zoning districts between Third and Minnesota Streets, and extending most of the way down Third Street to the south on that block. Residential uses are typically permitted in the upper floors of NC districts. There are other residential units found in the M-2 districts in the Central Waterfront, where residential uses are permitted with CU authorization.

B. PROJECT CHARACTERISTICS

The proposed project would construct a below-grade parking garage that would occupy the undeveloped portions of the site, incorporate the existing basements of the two historic buildings on the site, and serve as a podium for a new internal courtyard and three new multi-story buildings. Although the project would function as an integrated whole, above the new podium it would appear as five separate buildings. The two existing historic buildings fronting Third Street would be preserved in place (2225 and 2255 Third Street); two new "infill" buildings would be added on Third Street on either side of (and bridging over) the southernmost, single-story historic building (2255 Third Street); and one new approximately 65-foot-tall structure would face Illinois Street. All five buildings would frame an internal mid-block courtyard/open space. The height of the two new infill buildings proposed for Third Street would not exceed 35 feet for the first 20 feet of depth measured at a perpendicular line from the Third Street property line. The height of these two buildings would rise to 50 feet beyond the 20-foot property-line setback described above. As noted, part of the 50-foot-tall, set-back portion of the new building located between the historic 2225 Third Street and 2255 Third Street buildings would bridge over a portion of the roof of the existing one-story historic building at 2255 Third Street.

The proposed project would contain a total of about 242,185 sq.ft. of floor area and include about 179 residential units; 5,262 sq.ft. of restaurant uses; 11,434 sq.ft. of ground-floor retail space (including basement space) along Third Street; and 2,393 sq.ft. of day-care services (see Figure 3 – Proposed Site Plan, page 27). The proposed project would also include a partially subterranean garage, below-grade at Third Street and partially below-grade with access at Illinois Street for about 157 parking spaces (36 independently accessed, one off-street car-share space, and 120 stacked), 50 bicycle spaces, and two off-street loading spaces (see Figures 4 and 5, pages 32 and 33). Fifteen percent of the total dwelling units, or about 27 units, would be designated as BMR units pursuant to the City's Inclusionary Affordable Housing Program.¹⁸

Pedestrians would enter the proposed project from three recessed plazas located off Third Street and one pedestrian stairway from Illinois Street. The proposal includes about 8,884 sq.ft. of common usable open space in the form of a large internal landscaped courtyard, roof-top open space, and three new publicly accessible "pocket plazas" along the Third Street frontage. The proposed project would also include approximately 4,800 sq.ft. of private usable open space in the form of 83 individual terraces and balconies (see Figures 5 through 10, pages 33 through 38).

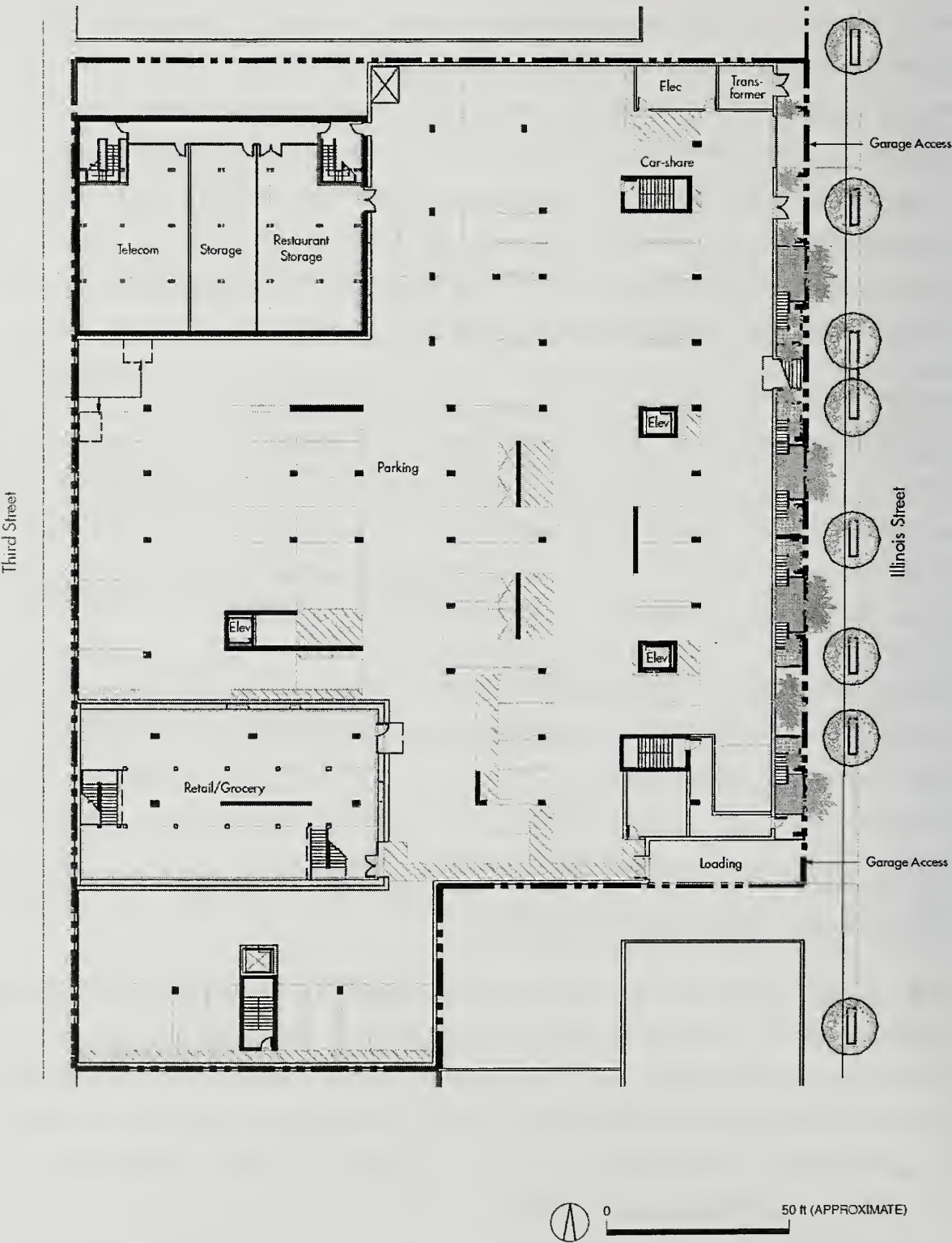
Of the 179 units proposed, the approximate break-down of unit types would be as follows:

<u>Studios</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Total Units</u>
63	81	30	5	179
35%	45%	17%	3%	100%

The proposed project would include the following five elements (see Figures 11 and 12, pages 39 and 40, for proposed project elevations and sections):

1. **2225 Third Street.** Preservation and renovation of the existing, 14,400-square-foot, historic, three-story-above-basement building into a mixed-use building. The upper two floors would be converted into four two-level residential units, the ground-floor level and a portion of the basement would be converted to about 5,262 sq.ft. of restaurant use, and the remainder of the basement would be converted to about 1,718 sq.ft. of building mechanical space. This structure would remain free-standing.

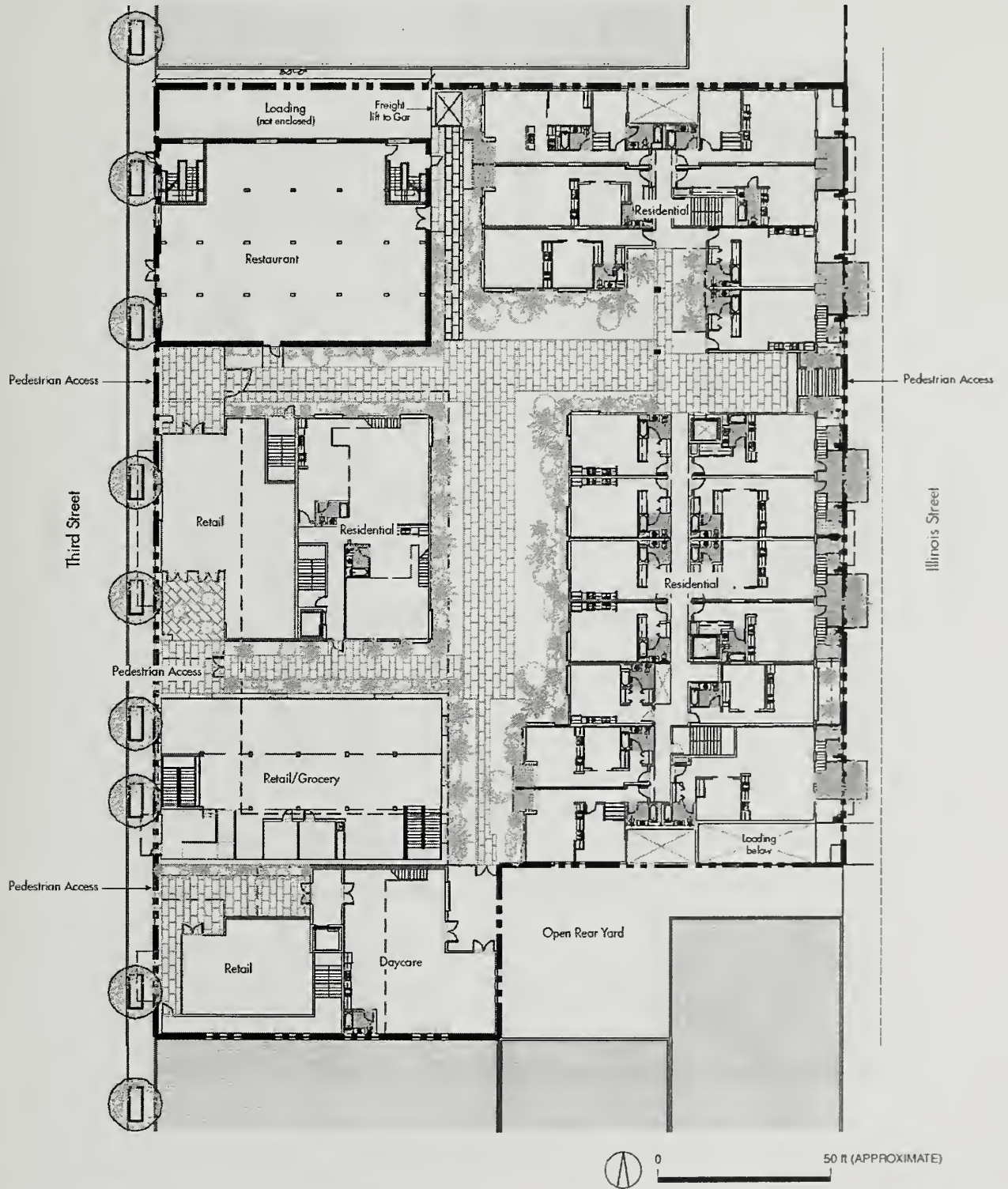
¹⁸ Recent amendments to *Planning Code* Section 315 increased the percentage of required inclusionary housing units to 15 percent on-site. Because the project would require zoning map and *Planning Code* text amendments that would result in a net increase in the number of permissible residential units, the new inclusionary requirement would apply to the proposed project.



Source: Ian Birchall & Associates

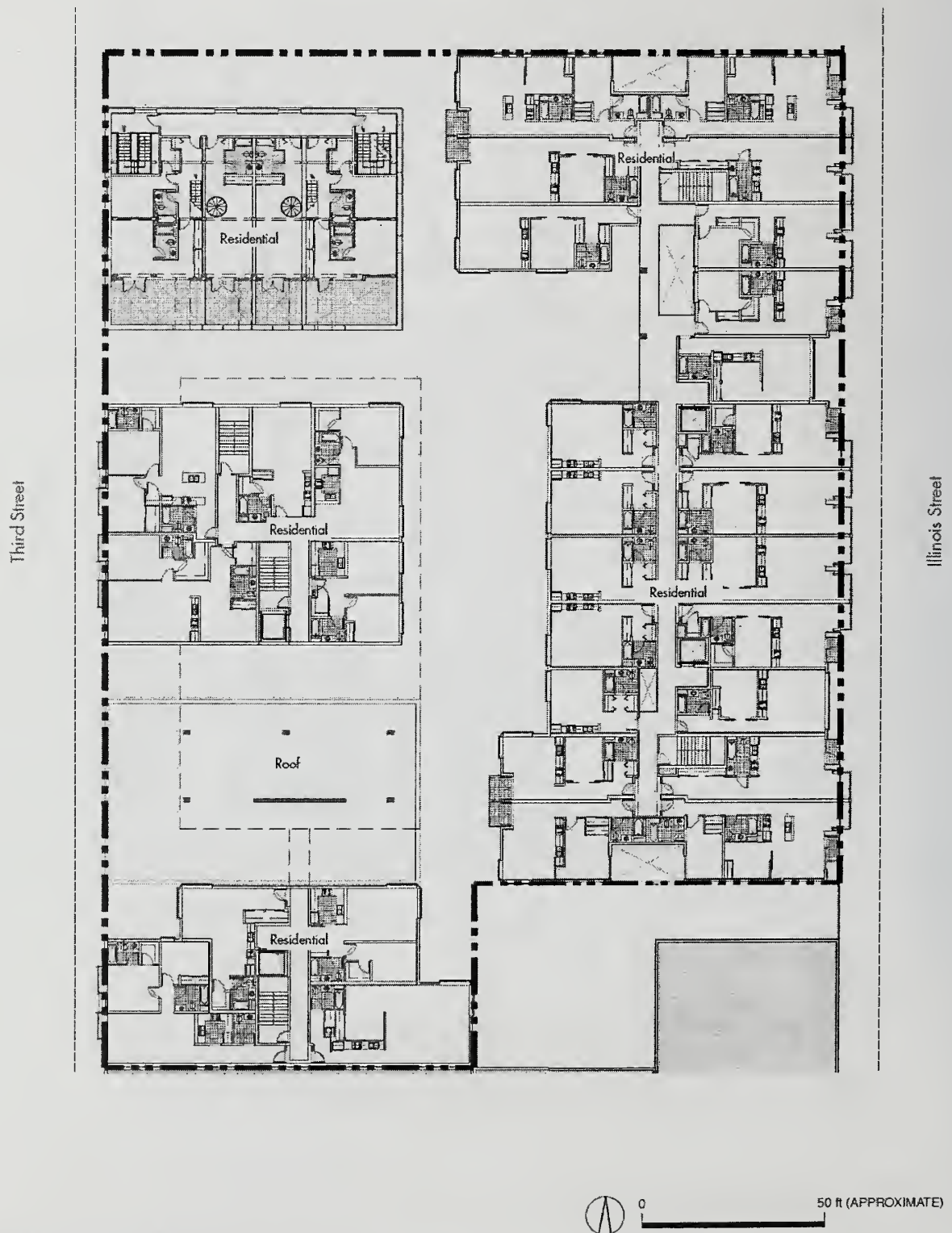
6-29-06

Proposed Garage Floor Plan Figure 4



Source: Ian Birchall & Associates
6-29-06

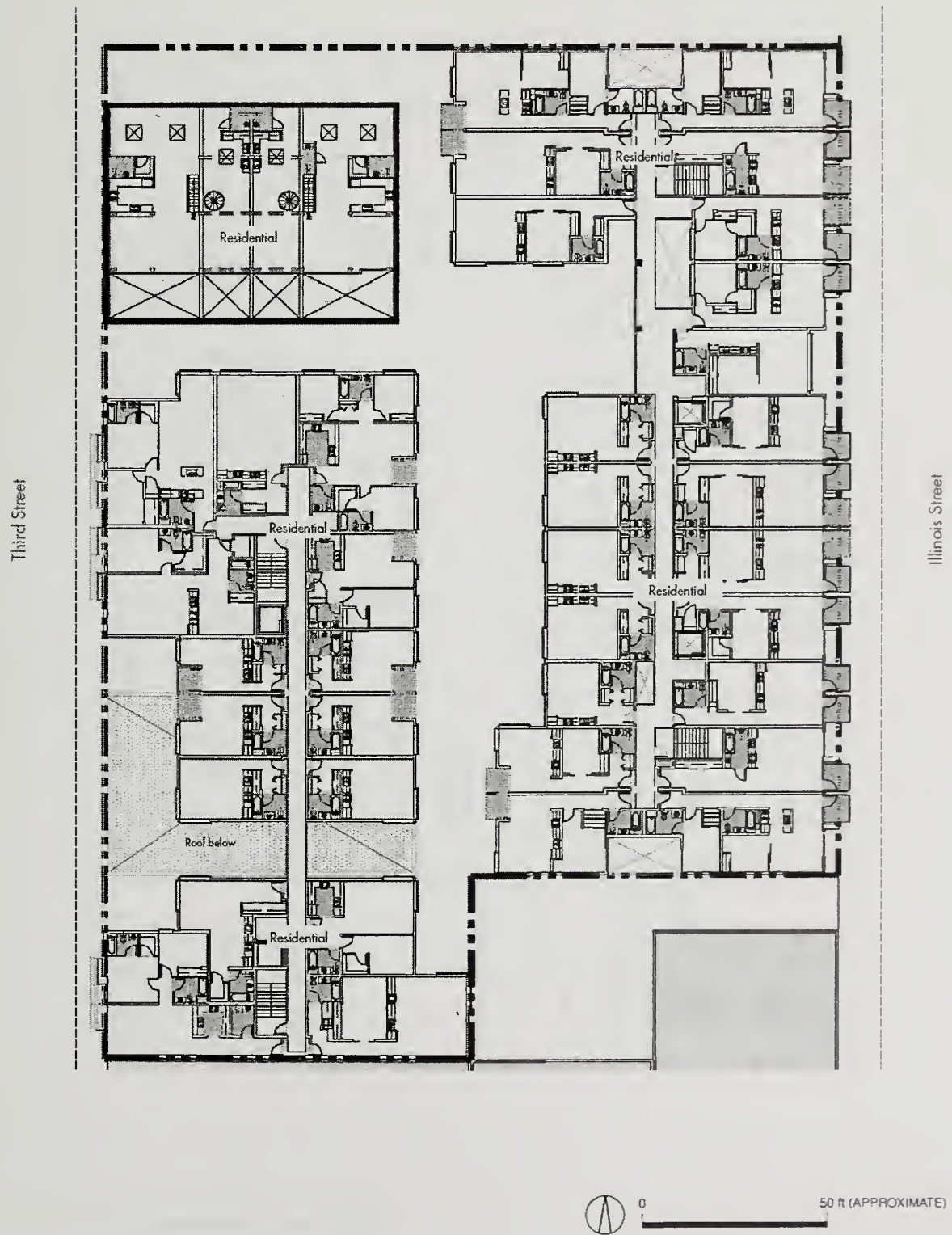
Proposed Ground Floor Plan Figure 5



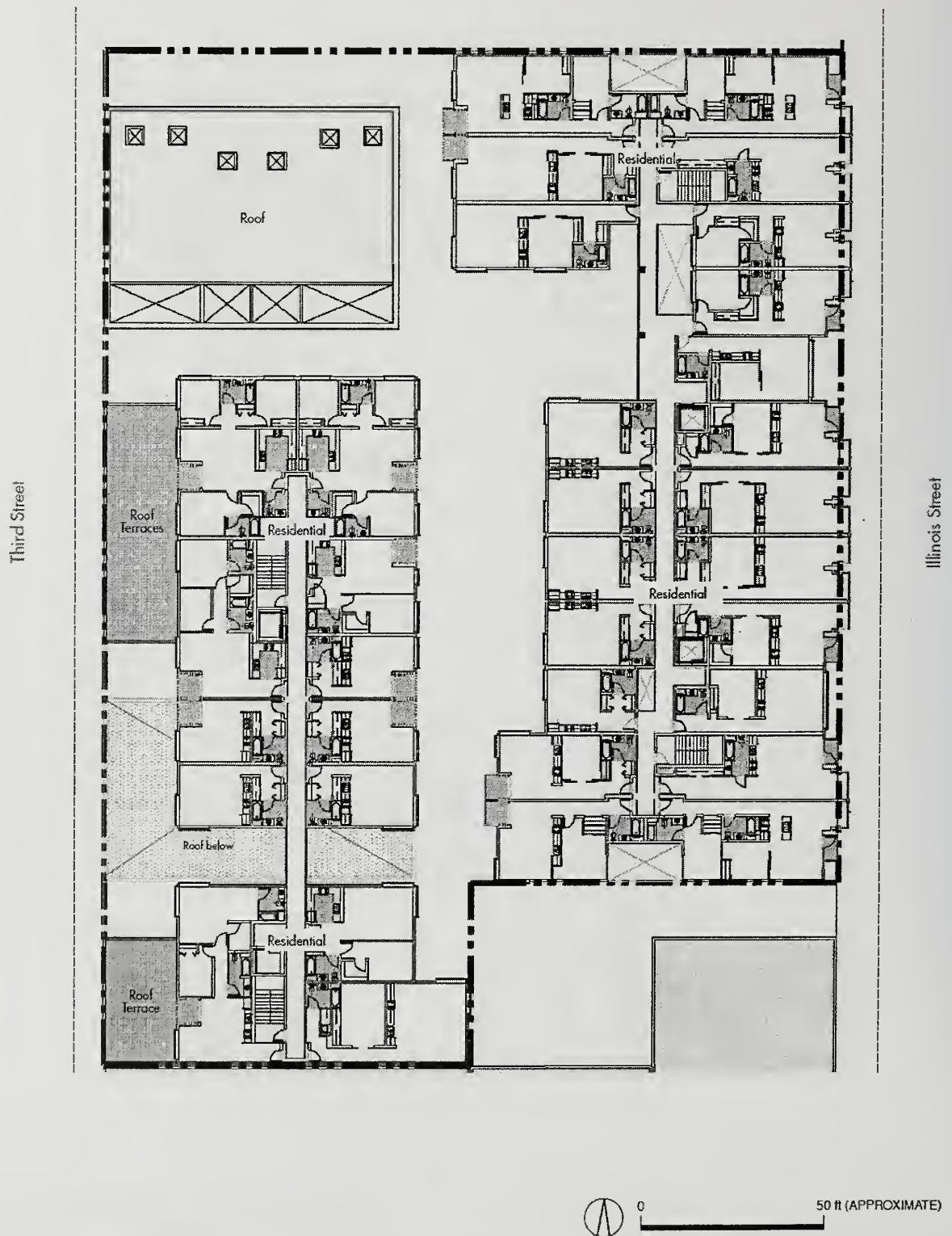
Source: Ian Birchall & Associates

6-29-06

Proposed Second Floor Plan Figure 6



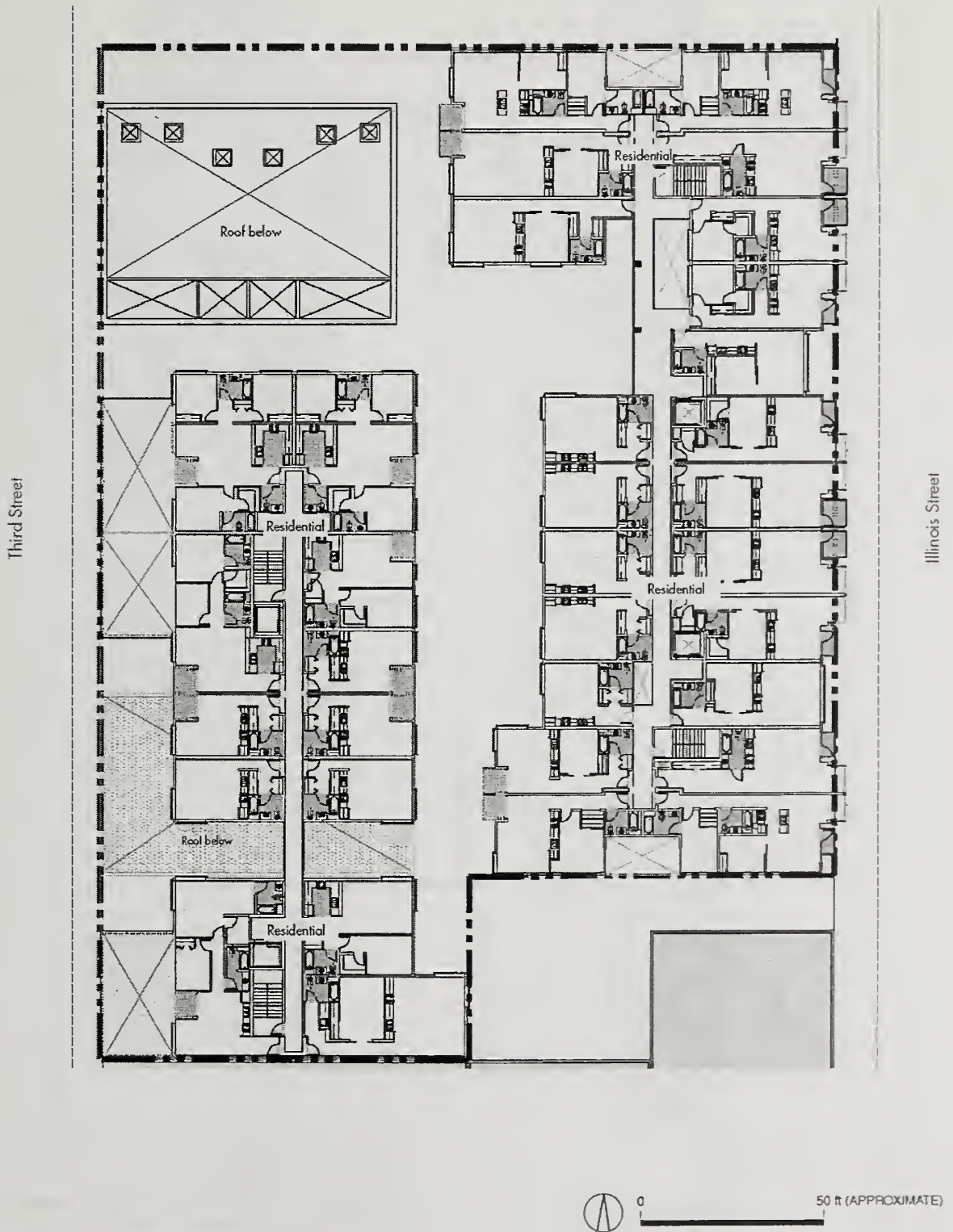
Proposed Third Floor Plan Figure 7



Source: Ian Birchall & Associates

6/29/06

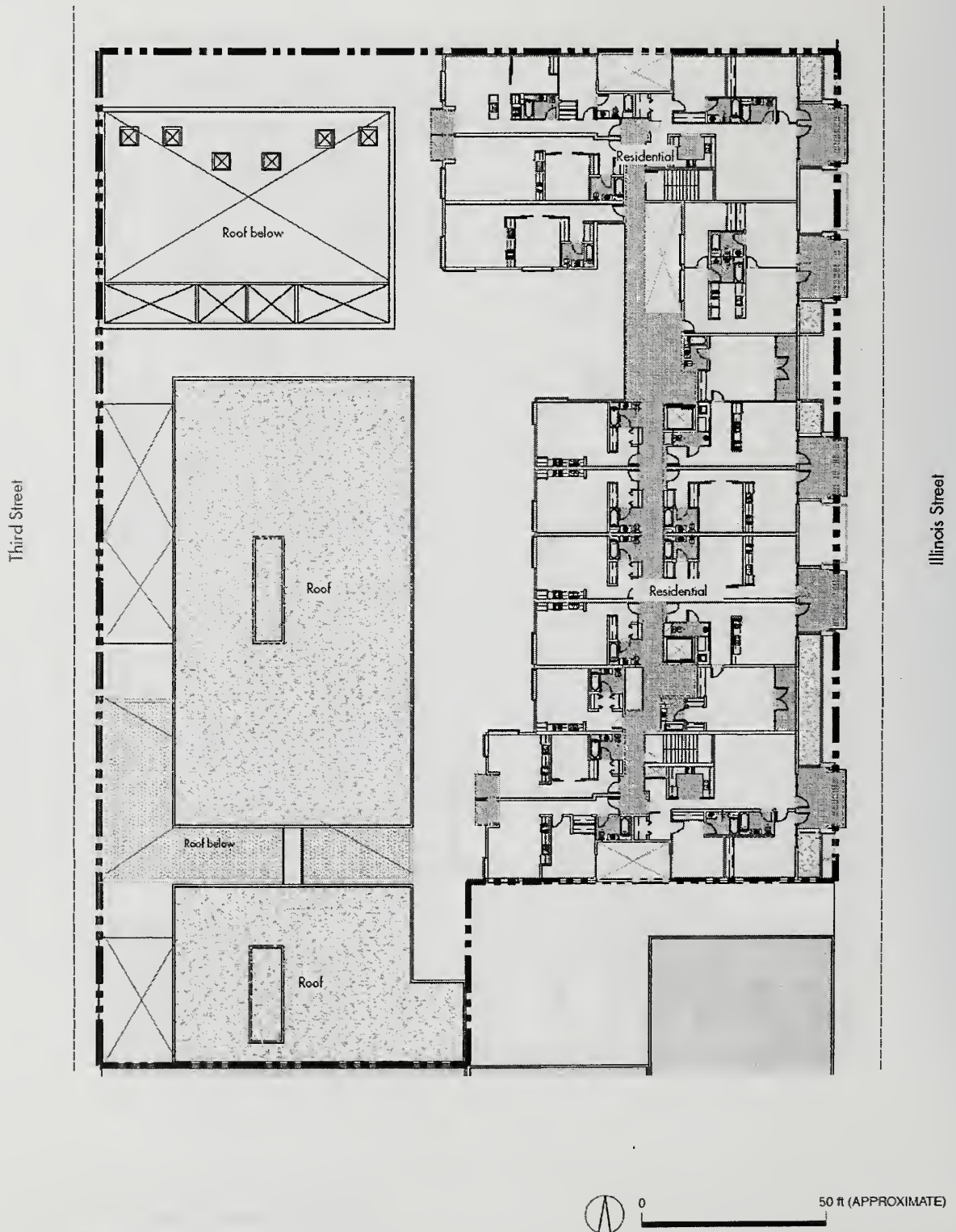
Proposed Fourth Floor Plan Figure 8



Source: Ian Birchall & Associates

6-29-06

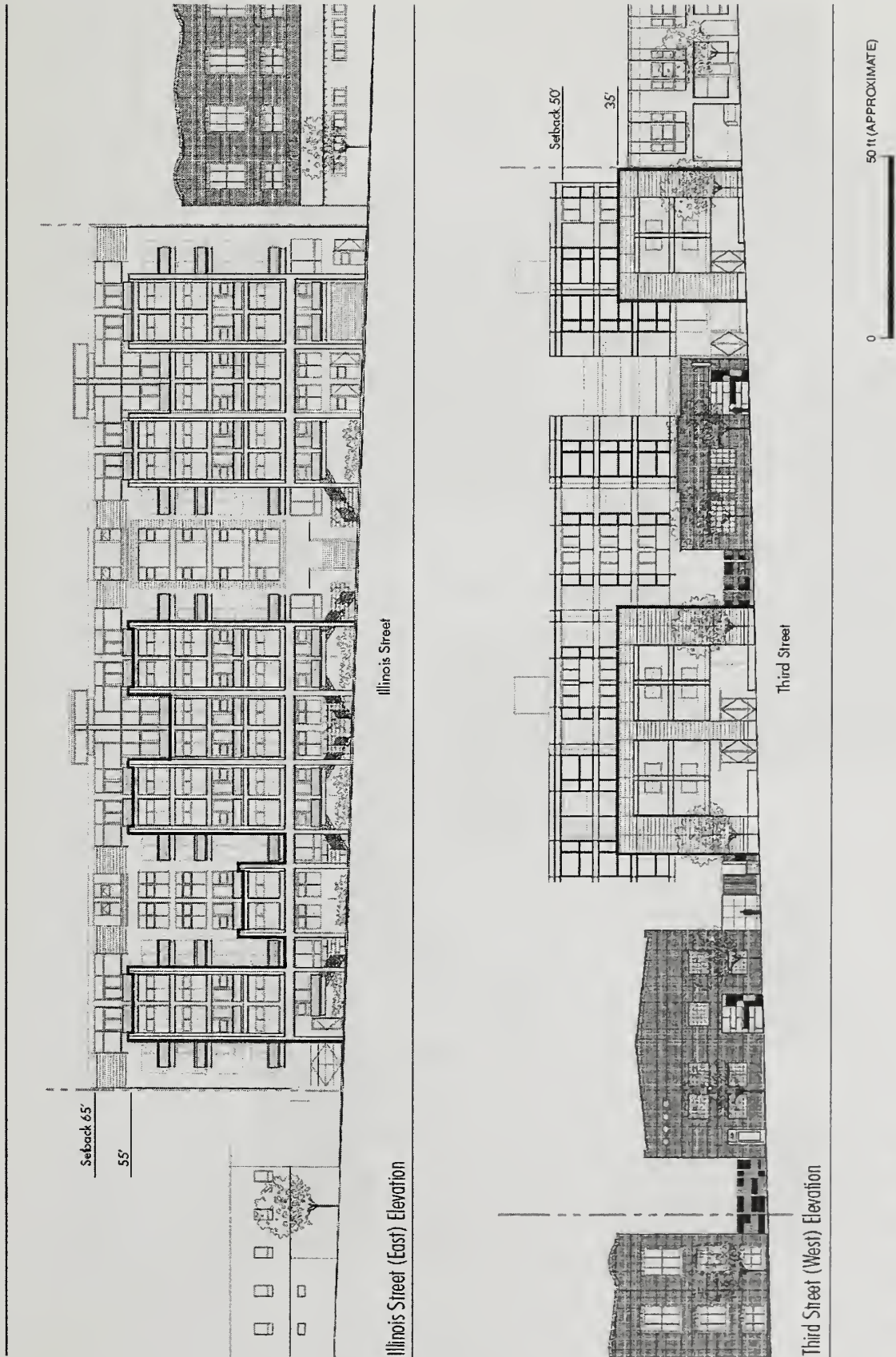
Proposed Fifth Floor Plan Figure 9



Source: Ian Birchall & Associates

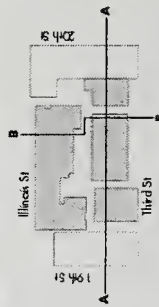
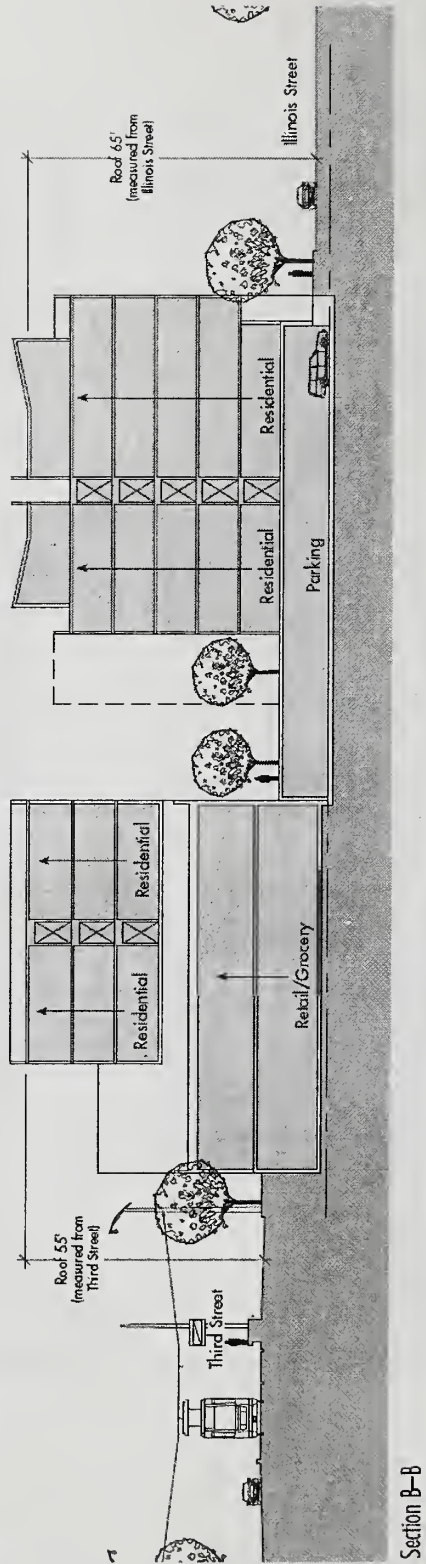
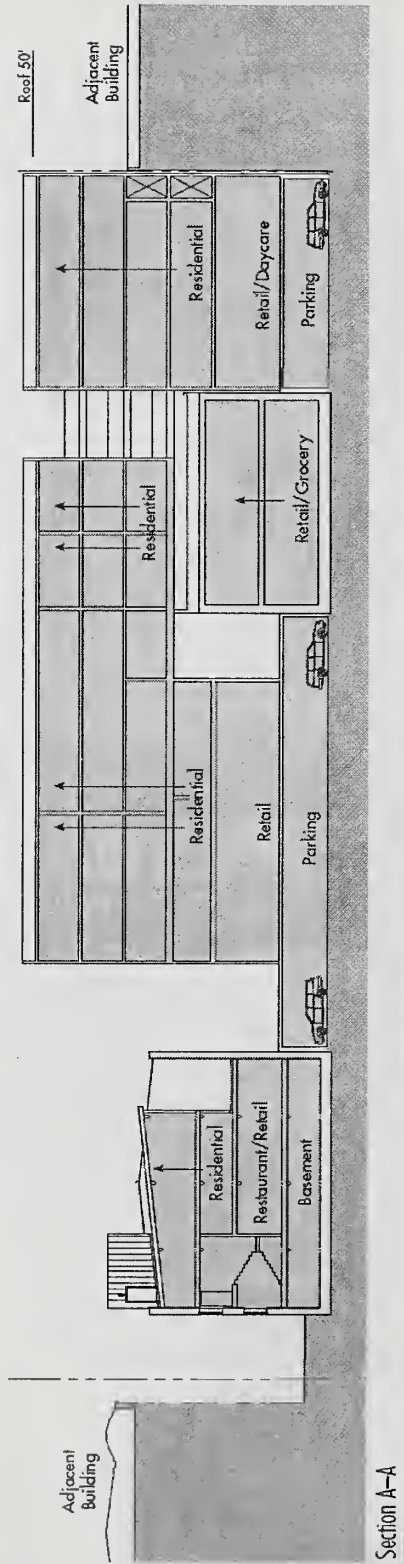
6-29-06

Proposed Sixth Floor Plan Figure 10



Source: Ian Birchall & Associates
2907

Proposed Project Elevations Figure 11



0 50' (APPROXIMATE)

Source: Ian Birchall & Associates
2-9-07

Proposed Project Sections Figure 12

2. **2255 Third Street.** Preservation and renovation of the existing 8,500-square-foot historic one-story-above-basement building into grocery/retail use (4,250 sq.ft. on the first floor and 4,250 sq.ft. in the basement). This structure would remain freestanding except for a small portion of its southern façade.
3. **New Underground Parking Garage & Podium.** Construction of a single-level parking podium/garage accessible from Illinois Street (containing room for about 157 cars in a mix of automated stackers and independently accessible spaces, including one space reserved for car-sharing, and 50 bicycle spaces) that would be entirely below-grade at the Third Street frontage and partially below-grade on Illinois Street. With the exception of entrances for the garage and loading bay, the majority of the Illinois Street elevation would be lined with approximately six residential stoops for units located on the podium level above (there is an approximately 12 foot drop in grade between Third Street and Illinois Street). The proposed podium would cover the entire site and would create a platform for developing the proposed new structures while preserving the existing basements, masonry exteriors, and freestanding profile of the two historic buildings identified above.
4. **Two New Third Street Buildings.** Construction of two new structures on either side of the existing one-story 2255 Third Street building. The front portion of these buildings would not exceed three stories and 35 feet in height. However, beyond a 20-foot setback from the Third Street property line, the rear portion of each new building would be five stories and 50 feet in height. In total, the two new buildings would contain 2,934 square feet of ground-floor retail space and a 2,393-square-foot day-care center located in the southernmost structure and opening onto the inner court open space. A segment of the 50-foot-tall portion of the new structure located between 2225 and 2255 Third Street would extend over the roof of the existing single-story 2255 Third Street building. This segment would be supported by a system of recessed concrete columns penetrating the roof of 2255 Third Street that would preserve approximately four feet of air space between the new structure and the roof of 2255 Third Street below. The intent of the design is to create a visual "bridge" between the two new buildings while preserving the one-story, free-standing profile of the 2255 Third Street building described in element 2 above. The two new buildings would contain approximately 52 residential units.

5. **New Illinois Street Building.** Construction of a single six-story, 65-foot-high, 123-unit, residential structure above the podium. The top floor would be set back approximately six feet from the Illinois Street property line to create a visual break in massing at about 55 feet in height.

The following sections discuss the design, materials, and massing of the Third Street and the Illinois Street elevations of the proposed project.

Third Street Elevation

The two existing historic buildings located at 2225 and 2255 Third Street would be preserved and renovated. The footprint, building profile, and façades of the existing three-story 2225 Third Street historic building would be preserved intact, except for the addition of new double-doors on the building's eastern (rear) façade. There would be 20-foot-wide alleyways on the north and south sides of the building, the northern alley would serve as an off-street freight loading site for the future restaurant. The footprint, building profile, and façades of the existing one-story 2255 Third Street historic building would be preserved intact except for coverage of a small portion of the southern façade by adjoining new construction and the penetration of the roof by concrete support columns for the new building located above. Fifteen-foot-wide pedestrian alleyways on the building's northern and southern sides would create a visual separation between the new construction and the original building.

Two new structures would be added on either side of the one-story 2255 Third Street building. The front portion of these new buildings would not exceed three stories and 35 feet in height. However, beyond a 20-foot setback from the Third Street property line, the rear portion of each new building would be five stories and 50 feet in height. A segment of the 50-foot-tall portion of the new structure located between 2225 and 2255 Third Street would extend out over the roof of the single-story 2255 Third Street building. This three-story segment would be supported by a system of recessed concrete columns that would penetrate the roof of 2255 Third Street but preserve approximately four feet of air space between the new structure above and the roof of 2255 Third Street below. The intent of the design is to create a visual "bridge" between the two new buildings while preserving the one-story, free-standing profile of the 2255 Third Street building below. The two new buildings would be connected on floors three through five by interior hallways located above the 2255 Third Street building.

The proposed project would repair and preserve the masonry exterior of the two existing historic buildings. The Third Street property-line façades of the two new structures would be clad in a terracotta rain screen system or similar masonry-like material accentuated with punched openings and semi-projecting industrial-style bay windows. The approximately 50-foot-tall rear portion of the two new buildings would be clad in lighter, transparent materials.

Illinois Street Elevation

The Illinois Street elevation of the proposed project would be 65 feet in height (six stories above the parking garage) and would be designed to reflect the surrounding neighborhood's industrial history with the use of industrial-style sash windows and exposed concrete columns. The podium-level parking and first residential floor would be set back approximately four feet from the property line to reflect the massing of the loading bay on the American Industrial Center building just south of Twentieth Street. Up to six of the residential units fronting Illinois Street would be designed as two-level units, accessed by a suspended, industrial-style stairway leading from small, gated outdoor spaces located at street-level. Small "pocket gardens" would project approximately three feet into the sidewalk public-right-of-way. These stoops and gardens are intended to provide a visual buffer between the parking podium and pedestrians along the Illinois Street sidewalk.

Above 55 feet, the top floor of the Illinois Street building would be set back approximately six feet to provide private roof-top terraces and to diminish the perceived effect of height and mass of the new structure viewed from Illinois Street.

The project architect is Ian Birchall + Associates. Project construction would take approximately 12 to 18 months, at an estimated cost of \$16 million.

C. PROJECT APPROVAL REQUIREMENTS

The public comment period on this Draft EIR will be from April 7 to May 21, 2007, as noted on the cover of this report, and includes a public hearing before the Planning Commission to receive comments on the Draft EIR. Following the public comment period, responses to written and oral comments will be prepared and published in a Comments and Responses document. This Draft EIR, together with the Comments and Responses document, will be considered by the Planning Commission, for Final EIR certification. No approvals or permits can be issued until the Planning Commission certifies the Final EIR.

The project would require approval from the Planning Commission for CU authorization as a Planned Unit Development (PUD) to permit exceptions to minimum open space dimensions, rear yard setbacks, and dwelling unit exposure requirements to allow for the project's proposed inner courtyard. An encroachment permit from the Department of Public Works (DPW) would be required for the pocket gardens.

The proposed project would require a *General Plan* amendment and rezoning of the project site from its current M-2 (Heavy Industrial) zoning to create a temporary *CWNP* Demonstration District that would enact all of the controls proposed for the project site in the December 2002 *Draft CWNP*, including increasing the existing height & bulk district from 50-X to 65-X. The *General Plan* amendment, together with the rezoning, would require Planning Commission and Board of Supervisors approval.

More specifically, the proposed *CWNP* Demonstration District, consistent with the MURD proposed in the *CWNP*, would do the following solely on the project site:

- Eliminate dwelling unit density restrictions;
- Designate residential as a principally permitted use;
- Limit retail and office uses to the first and second stories;
- Eliminate minimum parking ratios; and
- Require that parking be "unbundled" from the rental or sale of residential units.

To prevent future inconsistency with any final plan and zoning for the area, the proposed *CWNP* Demonstration District would "sunset" or expire when the new zoning associated with a final *CWNP* is adopted by the Board of Supervisors for the greater Central Waterfront area.¹⁹

¹⁹ The project sponsor would also propose a companion ordinance to amend the Central Waterfront section of the *General Plan* to ensure that the proposed *Draft CWNP* Demonstration District is consistent with the *General Plan*. The proposed project could be built only if the project sponsor can obtain a final approval from the Board of Supervisors for the *Draft CWNP* Demonstration District and amendments to the Central Waterfront section of the *General Plan*.

D. PROJECT SPONSOR'S OBJECTIVES

The project sponsor has the following objectives:

- Develop a high-density, transit-oriented, mixed-use, primarily residential project.
- Develop a project that is responsive to neighborhood needs for housing, public open space, retail, and day-care.
- Preserve the historic brick buildings on the site as part of an integrated and contemporary design.
- Provide a high-density residential project that would subsidize a day-care center and support the proposed neighborhood-serving retail and restaurant uses.
- Develop a project consistent with the existing scale and urban character of the immediate area and the *Draft CWNP*.
- Complete the project on schedule and within budget.
- Develop a project with minimal environmental disruption.

III. ENVIRONMENTAL SETTING AND IMPACTS

The project sponsor filed an environmental evaluation application on December 24, 2002, for the proposed 2225-2255 Third Street Residential project. Based on the Initial Study published on July 22, 2006, the San Francisco Planning Department determined that an EIR is required. The Initial Study determined that most of the physical environmental effects of the proposed project would be less than significant or that mitigation measures, required as conditions of project approval, would reduce significant impacts to less-than-significant levels (see Chapter IV: Mitigation Measures Proposed to Minimize the Potential Adverse Impacts of the Proposed Project and Appendix A: Initial Study). CEQA does not require further assessment of the environmental effects that would be less than significant, including effects on visual quality, historic architectural resources, population, transportation/circulation, noise, air quality, shadow, wind, utilities/public services, biology, geology/topography, water, energy/natural resources, hazards, and archeological resources.

Specifically, The Initial Study's land use assessment found that the change from a mostly undeveloped lot with two small vacant buildings last used as offices to a mixed-use, primarily residential project would have some less-than-significant land use impacts. In particular, the proposed project would not physically divide an established community, conflict with adopted land use plans, or substantially and adversely alter the vicinity's character. However, the Initial Study found that the proposed project could contribute to potentially significant cumulative land use impacts by reducing the City's supply of PDR space needed to meet projected future PDR

employment growth, and could adversely impact the City's ability to meet its housing needs as expressed in the City's *General Plan*.²⁰

Accordingly, this focused EIR assesses the proposed project's contribution to cumulatively significant land use changes in the Eastern Neighborhoods rezoning study area by assessing its cumulative effects on the City's ability to meet its future (1) PDR space needs, and (2) its housing needs as expressed in the City's *General Plan*. CEQA defines a significant effect on the environment as a substantial, or potentially substantial, adverse change in a physical environmental condition (CEQA Guidelines Section 15382).

As discussed in the Initial Study, the social and economic changes resulting from a project should not be treated as significant effects on the environment under CEQA unless they involve substantial physical impacts. However, the social and economic effects of a substantial physical change may be used to determine if it is adverse (CEQA Guidelines Section 15064(e)). Thus, if the physical change caused by a project were substantial, and the social and economic effects caused by the substantial physical change were adverse, then the physical change would be considered a significant effect under CEQA.

For example, the cumulative approval of multiple housing projects in areas where little housing development existed before would cause a substantial physical change in terms of land use, but not necessarily an adverse change. For example, the draft *CWNP* proposes rezoning a one- to two-block-wide corridor along Third Street stretching from Mariposa to 25th Street from M-2 to MURD. This rezoning would encourage mixed-use residential development in areas currently characterized by a mix of older multi- and single-story industrial and warehouse-style buildings housing an assortment of commercial uses, including PDR. After the rezoning, the physical character of this area would likely become more residential, as mixed-use residential buildings gradually replace existing building stock, and in some cases, displace existing PDR uses. Average building heights are likely to increase and architectural styles are likely to change as individual parcels are redeveloped with residential and small-scale commercial uses. The intensity of residential and mixed-use development could increase

²⁰ Paul Maltzer, Environmental Review Officer, San Francisco Planning Department, Major Environmental Analysis summarizes these concerns and their implications for environmental review in a Memorandum of March 31, 2006 to the Planning Commission Regarding "2660 Harrison Street Negative Declaration, and the Board Of Supervisors Decision, Findings and Implications," p. 2, paragraph 3. This memo is part of Project File No. 2002.1302E and is available for review by appointment at the Planning Department, Fifth Floor, 1660 Mission Street, San Francisco until April 20, or at 1650 Mission Street, Suite 400, after April 23.

on the west side of Third Street, particularly between 22nd and 25th Streets, where the height limit would be raised from 50 to 65 and 85 feet. Existing activity and traffic patterns may also change as the area becomes more residential, with increased nighttime activity and pedestrian traffic, and less commercial truck and utility vehicle traffic. The addition of residents may also increase the vitality of neighborhood commercial uses along the Third Street corridor.

If this cumulatively substantial physical change in land use character resulted in adverse social and economic effects, specifically the loss of projected future PDR jobs due to a future shortage of PDR space or by preventing the City from meeting its housing needs as expressed in the *General Plan*, this cumulatively substantial physical change in land use character would be considered a significant effect. Therefore, the first question analyzed in this EIR is whether the proposed project would contribute to a cumulatively substantial physical land use change, and the second question is whether this substantial physical land use change would be adverse based on its contribution to the two potential adverse social and economic effects described above.

A. LAND USE

As described in the Introduction, this section analyzes the proposed project's contribution to cumulative land use effects in the larger Eastern Neighborhoods rezoning study area by analyzing whether the proposed project would contribute to a substantial cumulative physical change in land use character and whether this substantial physical change would in turn result in adverse social and economic effects by adversely affecting the City's ability to meet its PDR space needs or its housing needs as expressed in the City's *General Plan*. A detailed description of the project site, surrounding land uses and other existing conditions can be found in Chapter II, Project Description, and in the Initial Study in Appendix A.

SETTING

PROJECT AREA: THE CENTRAL WATERFRONT

The project site is located in the *Draft CWNP* area, an approximately 600-acre portion of the City bounded by Mariposa Street on the north, San Francisco Bay on the east, Islais Creek on the south, and Interstate Highway 280 on the west. The boundaries of the *CWNP* area were defined in 1999 when the Department started a community-based planning process for the area as part of the Department's Better Neighborhoods program. The Better Neighborhoods program calls for building relatively higher-density housing in neighborhoods well-served by transit and other urban services; neighborhood stores that can satisfy basic needs without reliance on a car; and streets and public spaces that serve all members of the community and enliven neighborhoods. The *Draft CWNP* aims to help determine what the neighborhood's role in the City should be—a new residential neighborhood, a place dedicated to economic activity, or a mixture of the two. For a variety of reasons discussed later, the *CWNP* has been combined into the Department's larger *Eastern Neighborhoods Rezoning and Community Plan* (Eastern Neighborhoods rezoning) project.

A draft December 2002 *CWNP* was released for public review in January 2003.²¹ In response to additional community input, Department staff refined the *Draft CWNP* in February 2004 to increase

²¹ San Francisco Planning Department. Draft for Public Review, The Central Waterfront Neighborhood Plan, December 2002. This report is available online for public review at: http://www.sfgov.org/site/planning_index.asp?id=25205#plan, accessed for this report on March 6, 2007.

housing potential in the area. Both the February 2004 and December 2002 *CWNP* designate the project site as the Central Waterfront MURD zoning area..

With the exception of a well-established residential neighborhood centered on 22nd and Third Streets, older industrial buildings dominate the Central Waterfront.²² Until the 1990's, rail yards consumed approximately one-third of the land, and trucking and warehousing facilities were present as part of the railroad's intermodal operations. The majority of the industrial activity that remains in the area is low intensity distribution functions such as wholesaling and storage, though several manufacturers remain healthy. In the 1990's the Central Waterfront was the focus of a surge of live/work development. During this period, the neighborhood also attracted an eclectic mix of small manufacturing firms, graphic designers, film production studios, and other business activities that had either been priced out of other parts of the city or found the neighborhood and its buildings well suited to their purposes. Many former manufacturing buildings—notably the American Can Company buildings on the block bounded by 20th, Illinois, 22nd, and Third Streets—are now home to a wide range of small firms. PDR businesses line Illinois Street, extending into Port property east of Illinois Street. They also occupy some parcels fronting Third Street, particularly south of 23rd Street, and skirting what is commonly referred to as the "Dogpatch" neighborhood, a residential sub-area of the larger *CWNP* area. PDR is the predominant land use in the blocks that extend west to the freeway and the slope of Potrero Hill. Almost all existing PDR activity is located on land with zoning designations that permit such activity.²³

Less than two percent of the Eastern Neighborhoods' estimated 70,000 residents were located in the Central Waterfront in 2000, whereas almost 60 percent of the population lived in the Mission.²⁴ As of 2004, the Central Waterfront's residential population, centered primarily in the Dogpatch neighborhood, numbered about 907,²⁵ located in 740 housing units.²⁶ Approximately 60 percent of

²² This description of the Central Waterfront area is taken from the *General Plan*, Central Waterfront Area Plan, available online at http://www.sfgov.org/site/planning_index.asp?id=41402 accessed for this report on February 8, 2007, and the *CWNP*, Draft for Public Review, December 2002, available online at http://www.sfgov.org/site/uploadedfiles/planning/neighborhoodplans/pdf/cw_dpr_chapter2.pdf, accessed for this report on February 8, 2007.

²³ Less than 10 percent of existing PDR uses are on land zoned for residential or neighborhood commercial use. Hausrath Economics Group, *San Francisco's Eastern Neighborhood Rezoning Socioeconomic Impacts*, March 2007, page 32. Note that some of the page numbers may be dynamic until the report is finalized. This report is available online at http://www.sfgov.org/site/uploadedfiles/planning/Citywide/pdf/SEIA_DRAFT_for_Public_Review.pdf, accessed for this report on March 29, 2007.

²⁴ *Draft Hausrath Report*, Table 2..

²⁵ *Draft Hausrath Report*, Table 2.

households in the Central Waterfront were renters, among the lowest share of renters in the Eastern Neighborhoods.²⁷ The poverty rate in the Central Waterfront (at six percent) is less than the citywide average of 11 percent.²⁸ In the Central Waterfront, high income households outnumber low-income households by almost two-to-one.²⁹ Per capita income is greater than \$70,000, more than twice the citywide average. The Central Waterfront also has the highest percentage of white residents (68 percent) of all of the planning areas of the Eastern Neighborhoods.³⁰

The Central Waterfront's sparse residential population supports a limited number of neighborhood-serving businesses. A small collection of such shops and services are found at 22nd Street, which serves as the neighborhood-serving center of the Dogpatch neighborhood.

In 2000, about 15 percent (11,221 jobs) of total Eastern Neighborhoods employment (72,650 jobs) was located in the Central Waterfront, the smallest share of any of the four Eastern Neighborhoods areas.³¹ PDR businesses make up the greatest share of Central Waterfront employment, with 6,851 jobs or 61 percent of employment in 2000. The second largest source of employment, at 31 percent, was "Management, information, and professional services," or MIPS.³²

By contrast, few residents of the Central Waterfront are employed in PDR industries. Instead, the vast majority of Central Waterfront residents work in relatively higher-education, high-wage employment sectors, with the "professional, scientific, management, administrative services" category topping the list.³³ Although the "manufacturing" category ranks among the top four sectors in the Central Waterfront, it employs only 10 percent of the relatively small number of workers living in the area.³⁴

As of March, 2007, there were 14 projects in the development pipeline in the Central Waterfront area.³⁵ All but two of these projects, including the proposed project, are residential or mixed-use that

²⁶ *Draft Hausrath Report*, page 62.

²⁷ *Draft Hausrath Report*, Figure 14 and page 54.

²⁸ *Draft Hausrath Report*, Figure 25 and pages 58-59..

²⁹ *Draft Hausrath Report*, page 58.

³⁰ *Draft Hausrath Report*, page 49.

³¹ *Draft Hausrath Report*, pages 88-89 and Table 14.

³² *Ibid.*

³³ *Draft Hausrath Report*, Tables 12 & 13, pages 84-87.

³⁴ *Draft Hausrath Report*, page 88.

³⁵ *Draft Hausrath Report*, page 107.

would add overall about 540 housing units and about 50,000 sq. ft. of retail space.³⁶ If all 14 projects were approved and constructed about 200,000 sq.ft. of existing PDR space would be lost.³⁷ However, due to the construction of a new 224,000 sq.ft. PDR building in 2005 on the northwest corner of Cesar Chavez and Third Streets, the Central Waterfront is the only Eastern Neighborhoods community plan area where there has been a net increase in the inventory of PDR space in recent years.³⁸

In sum, the Central Waterfront is sparsely populated and has the smallest employment base of the Eastern Neighborhoods planning areas. Its small but growing residential population is comparatively more affluent, single, and white than the rest of the current Eastern Neighborhoods population and the City as a whole. PDR businesses employ the majority of its approximately 11,000-person workforce. It also has fewer low-income individuals or vulnerable tenant populations than the other Eastern Neighborhoods planning areas. Current pipeline projects would increase the number of new home owners in this neighborhood, presumably accelerating existing demographic trends. At the same time, due to the current Residential Inclusionary Affordable Housing Program, between 10 and 15 percent of all new housing units built in the neighborhood would be BMR units, providing an important supply of permanently affordable housing in a neighborhood that has no publicly subsidized affordable housing.³⁹

THE EASTERN NEIGHBORHOODS REZONING AND COMMUNITY PLANS⁴⁰

Overview

To encourage new housing while preserving sufficient lands for the projected future growth of PDR businesses and activities, the Department has proposed changes in the *Planning Code* (zoning) controls, as well as amendments to the *General Plan*, for a 2,345-acre area on the eastern side of San

³⁶ Ibid.

³⁷ Ibid.

³⁸ *Draft Hausrath Report*, page 58..

³⁹ *Draft Hausrath Report*, Table 3, p. 63.

⁴⁰ Information for this section is from the following documents: San Francisco Planning Department, *275 10th Street Supportive Housing Project Final EIR*, December 6, 2006, pp. 29-31; and San Francisco Planning Department, Eastern Neighborhoods Proposed Permanent Zoning Controls: *An Overview*, October 6, 2005, pages 3 to 5. The first document is part of Project File No. 2005.0613E and is available for review by appointment at the Planning Department, Fifth Floor, 1660 Mission Street, San Francisco until April 20, or 1650 Mission Street, Suite 400 after April 20. The second document is available online for review at <http://www.sfgov.org/site/uploadedfiles/planning/Citywide/pdf/Staff%20Report.pdf>, accessed for this report March 6, 2007.

III. ENVIRONMENTAL SETTING AND IMPACTS
A. LAND USE



Source: Eastern Neighborhoods Initial Study

1406

Eastern Neighborhoods Planning Areas Figure 13

Francisco officially referred to as the Eastern Neighborhoods (see Figure 13, page 54). The Eastern Neighborhoods rezoning EIR is expected to include all or part of the four community plan areas identified in the Department's February 2003 draft *Community Planning in the Eastern Neighborhoods: Rezoning Options Workbook* (the *Eastern Neighborhoods Workbook*): Showplace Square/Potrero Hill, the Mission District, and the eastern portion of the South of Market (Eastern SoMa). Additionally, it would also include the draft *CWNP* area, which was originally part of the Better Neighborhoods program.

The Eastern Neighborhoods rezoning is intended to permit housing development in some areas currently zoned to allow industrial use while preserving an adequate supply of land for PDR employment and businesses. In addition to zoning changes, the project would include revisions to the existing Central Waterfront and SoMa Plans within the San Francisco *General Plan* and the preparation and adoption of new neighborhood or community plans for the Mission, Showplace Square/Potrero Hill, and Eastern SoMa.

A key component of the proposed Eastern Neighborhoods rezoning would be the introduction of new zoning districts, including districts that would permit PDR uses, in combination with commercial uses; districts mixing residential and commercial uses and residential and PDR uses, and new residential-only districts. The districts would replace existing industrial, commercial, residential single-use, and mixed-use districts.

Background

In the late 1990s, development pressure in the Eastern Neighborhoods rezoning study area raised questions over how to best use the City's industrially zoned land. The ensuing debate over land use in the Eastern Neighborhoods rezoning study area focused on how to promote new housing opportunities while also protecting and supporting PDR activities and their role in the larger San Francisco economy. In 1998, the Department hired Hausrath Economics Group, an independent consultant, to study these policy concerns. In 1999, the Department published a report entitled *Zoning Options for Industrial Land* based, in part, on the early Hausrath work, that proposed several options for interim controls intended to stabilize the City's industrial land until permanent zoning controls could be developed. In 1999, the Planning Commission adopted Resolution 14861, establishing a set of interim zoning controls for the City's industrially zoned land. These controls created an *Industrial Protection Zone* (IPZ) where new housing development, including live/work

projects was generally not permitted, and a *Mixed Use Housing Zone* (MUHZ), including the project site, where housing development was encouraged. Also in 1999, the Department started work on the *CWNP* as part of the Better Neighborhoods planning process.⁴¹ After the 1999 interim controls expired in July 2001, the Planning Commission adopted Resolution 16202 in August 2001 that established "policies and procedures" that essentially extended the regulatory intent of the original IPZ/MUHZ controls. In late 2001, the Commission directed the Department to initiate the Eastern Neighborhoods rezoning effort described in the beginning of this section. In December 2002, as part of the Better Neighborhoods planning effort, the Department published the *Draft CWNP*.

Soon afterwards, in February 2003, as part of the Eastern Neighborhood planning process, the Department published the draft *Eastern Neighborhoods Workbook*. The *Eastern Neighborhoods Workbook* included four neighborhoods that make up much of the City's eastern lands: Bayview-Hunters Point, Showplace Square/Potrero Hill, the Mission District, and the South of Market. Subsequent to publication of the draft *Eastern Neighborhoods Workbook*, the San Francisco Redevelopment Agency produced a draft Redevelopment Plan for the Bayview-Hunters Point project area. A Final EIR analyzing the effects of implementation of the Redevelopment Plan was certified in 2004. Accordingly, the Bayview-Hunters Point is not included in the Eastern Neighborhoods rezoning study area, as zoning changes in that neighborhood are anticipated to be accomplished in the context of adoption and implementation of the Redevelopment Plan. Also following the release of the draft *Eastern Neighborhoods Workbook*, on November 17, 2004, the San Francisco Board of Supervisors established the Western SoMa Citizens' Planning Task Force by Resolution 731-04 to allow for a set of district-specific concerns to be addressed. Accordingly, the study area for the proposed Eastern Neighborhoods rezoning study area excludes Western SoMa. The Department is currently working to develop neighborhood plans for each of the three remaining Eastern Neighborhoods rezoning study areas: Showplace Square/Potrero Hill, the Mission District, and Eastern SoMa.

The Department developed three rezoning options for the three remaining Eastern Neighborhood rezoning study areas, designated Options A, B, and C (whereas the *Draft CWNP* proposed a single rezoning option). The options vary by the degree to which they would permit land with zoning

⁴¹ San Francisco Planning Department. http://www.sfgov.org/site/planning_index.asp?id=25162, accessed for this report on February 8, 2007. The program is two-tiered. Citywide, it aims to encourage housing where it makes sense and to strengthen neighborhoods. In the Central Waterfront area, the program uses intensive community-based planning to refine citywide goals to meet the needs of the neighborhood.

designations that permit industrial uses to be rezoned to primarily residential and mixed-use districts: Option A would permit the least amount of such conversion, while Option C would permit the greatest conversion. Under all three options, new single-use and mixed-use zoning districts would be introduced to the *Planning Code*. Existing Heavy Industrial (M-2) and Light Industrial (M-1) zoning districts would be eliminated, and replaced with new residential, residential mixed-use, PDR-only, and PDR mixed-use districts that would allow varying degrees of commercial and residential uses along with PDR. Some existing commercial districts would be replaced with new mixed-use residential/commercial districts or mixed-use PDR/commercial districts. Finally, some existing residential districts would be replaced with new single-use or mixed-use residential districts.

Because many of the concerns that affect the Eastern Neighborhoods are also applicable to the Central Waterfront and the *Draft CWNP*, and due to the proximity of the Central Waterfront to the Eastern Neighborhoods area, the Department incorporated them into a single Eastern Neighborhoods rezoning EIR that encompasses the planned rezoning and land use changes in the three remaining Eastern Neighborhoods plan areas and the *Draft CWNP* area. Thus, the *Draft CWNP* is considered one of the Eastern Neighborhoods community plans for purposes of the Eastern Neighborhoods rezoning EIR. The Eastern Neighborhoods rezoning EIR is expected to incorporate the growth assumptions developed for the Bayview-Hunters Point Redevelopment Area EIR and for the Western SoMa.

In February 2004, the Commission approved Resolution 16727 establishing new interim policies for much of the Eastern Neighborhoods area patterned after Option B of the *Eastern Neighborhoods Workbook*. Resolution No. 16727 also provided a temporary definition for the diverse array of land uses that make up PDR. This definition remains the only officially adopted definition of PDR to date.

In May 2004, the Commission adopted an updated version of the *Housing Element* of the City's *General Plan* that assesses the City's housing need and contains objectives and policies intended to address those needs.⁴² As discussed in the Summary of this EIR, the Department published the *EPS*

⁴² San Francisco Planning Department, San Francisco *General Plan, Housing Element*, Adopted May 13, 2004. This report is available online for public review at: http://www.sfgov.org/site/planning_index.asp?id=41412, accessed for this report on March 6, 2007.

*Report*⁴³ in April 2005, and in October 2005 a document summarizing the *EPS Report's* findings and providing an overview of the implications and options for proposed permanent zoning controls in the Eastern Neighborhoods area.⁴⁴ In March 2007, the Department published the *Draft Hausrath Report*.⁴⁵ Taken as a whole, the *Housing Element*, *EPS Report*, the Department's summary of the *EPS Report* and the *Draft Hausrath Report* provide the most up-to-date information about existing and future PDR and housing needs and conditions in the Eastern Neighborhoods rezoning study area. As such, these documents provide the basis for the City's expectation of cumulative land use change from reasonably foreseeable development in the Eastern Neighborhoods and its effect on the City's ability to meet its future PDR space needs while not adversely impacting its ability to meet its housing needs as expressed in the City's *General Plan*.

CUMULATIVE LAND USE CHANGE IN THE EASTERN NEIGHBORHOODS REZONING STUDY AREA

As indicated in the Eastern Neighborhoods Initial Study, analysis of cumulative physical land use change will be based on assumptions regarding the portions of the Eastern Neighborhoods area where the greatest change to existing zoning is expected to occur and upon the growth projections developed in the reports referenced in the previous section of this EIR. The specific area and scope of anticipated land use change will be determined by an examination of where new use districts and height and bulk rules could be expected to foster new development, particularly residential construction.

Within the Eastern Neighborhoods rezoning study area, new residential development can reasonably be anticipated in those areas where the zoning would change to allow and/or encourage residential development that is currently discouraged or, in some cases, not allowed. Increases in height limits also would be expected to encourage residential development. For example, where the zoning designation of an area is proposed to change from M-1 (Light Industrial) to a mixed-use residential

⁴³ Economic & Planning Systems, Inc., Final Report, *Supply/Demand Study for Production, Distribution, and Repair (PDR) in San Francisco's Eastern Neighborhoods* prepared for the City and County of San Francisco, April 15, 2005. This report is available online for public review at: <http://www.sfgov.org/site/uploadedfiles/planning/Citywide/pdf/14158FinRpt1.pdf>, accessed for this report on March 6, 2007.

⁴⁴ San Francisco Planning Department, *Eastern Neighborhoods Proposed Permanent Zoning Controls: An Overview*, October 6, 2005. This report is available online for public review at: <http://www.sfgov.org/site/uploadedfiles/planning/Citywide/pdf/Staff%20Report.pdf>, accessed for this report on March 29, 2007.

⁴⁵ *Draft Hausrath Report*, op cit.

designation with increased heights, like at the project site, the likelihood of new residential development would be relatively greater than elsewhere in the rezoning study area. This is because the zoning changes, other things being equal, would make new residential development in such an area more financially attractive to developers.

Using the above approach, the Initial Study for the Eastern Neighborhoods rezoning anticipates the areas of greatest future land use change to be in Showplace Square and a seven block area immediately to the east, the Northeast Mission, and certain parts of the Central Waterfront and Eastern SoMa. In the Central Waterfront, the change to residential zoning from M-1 and M-2 zoning would occur almost entirely in a one- to two-block-wide strip along Third Street (including the proposed project site), between Mariposa and 25th Streets.⁴⁶

SAN FRANCISCO'S PROJECTED PDR SPACE NEEDS

The *EPS Report* provides a comparison of existing and future amounts of PDR space in the Eastern Neighborhoods rezoning project area. Notably, the *EPS Report* did not project the future supply of PDR space and PDR job loss under existing zoning, which means that its conclusions about the future supply of PDR space and PDR job loss under the rezoning do not represent the future *net* supply of PDR space and PDR job loss in the Eastern Neighborhood rezoning area. This is because the *EPS Report* did not deduct the projected future PDR space and PDR job loss that is expected to occur without the rezoning.⁴⁷ To analyze future supply of PDR space, the *EPS Report* had to assume a future rezoning scenario; Option B from the *Eastern Neighborhoods Workbook* was selected because it represented the middle range of projected future PDR space and because the Commission had previously indicated in Resolution 16727 that it was their preferred rezoning option. The *EPS Report* did not analyze the effects of the other two Eastern Neighborhoods rezoning options (A and C) on the future supply of PDR space, therefore a detailed analysis of the projected cumulative land use effects of these two options is not provided in this EIR. However, the *Eastern Neighborhoods Workbook* did provide a general projection of future PDR space for each of the three options. According to the *Eastern Neighborhoods Workbook*, Option A would provide approximately 13 percent more future PDR space than Option B, and Option C would provide approximately 22

⁴⁶ *Eastern Neighborhoods Rezoning and Community Plans Initial Study*. December 17, 2005, Figures 2, 3 and 4, pages 10 to 12, Planning Department Case No. 2004.0160E.

⁴⁷ Pages 39-41 of the *Draft Hausrath Report* conclude that PDR job loss would be worse in the long-term under existing zoning than under the rezoning.

percent less PDR space than Option B.⁴⁸ Although the planning areas studied and the methodology employed to generate projections in the *Eastern Neighborhoods Workbook* is substantially different from the more detailed analysis contained in the *EPS Report*, these percentages provide a general sense of the range of difference between the three rezoning options.

Future PDR Employment Projections⁴⁹

Between 1980 and 2000, San Francisco's industrial sector employment declined by a total of 37 percent, losing over 40,000 jobs in the 20-year period.⁵⁰ At the same time, overall employment in San Francisco increased by 15 percent.⁵¹ In 2004, there were roughly 45,000 PDR jobs in the Eastern Neighborhoods, which is 21 percent fewer than were present in 1999—a considerably higher rate of decline than for the economy overall, even in a period of pronounced recession among non-PDR jobs.⁵² Despite the trends suggesting a decline in the overall PDR sector, the *EPS Report* assumes a 13 percent growth rate for overall PDR jobs in the Eastern Neighborhoods rezoning project area, resulting in a total of about 51,000 PDR jobs in the Eastern Neighborhoods rezoning project area by 2030, assuming a sufficient supply of land and buildings suitable for PDR activities. Certain PDR sub-sectors are expected to grow, some will remain flat, and others are projected to decline.

Future PDR Space Needs⁵³

As discussed above, the *EPS Report* assumes that there will be a net increase of 6,000 PDR jobs in the Eastern Neighborhoods rezoning study area by 2030, resulting in a total of about 51,000 PDR jobs in the Eastern Neighborhoods rezoning study area. At present, about 20,245 of 45,000 existing PDR jobs in the Eastern Neighborhoods rezoning study area are located on land not zoned for PDR use under rezoning Option B. The *EPS Report* assumes that only 7,000 of these existing PDR jobs will remain on this land. Subtracting these 7,000 jobs from the estimated 51,000 PDR jobs needing

⁴⁸ These percentages were calculated from the estimates of "Created Capacity" for PDR space for the three rezoning options, using the figures provided in the *Eastern Neighborhoods Workbook*, Table: Zoning Options Assessment, Eastern Neighborhoods, page 91.

⁴⁹ Information in this paragraph is taken from the *EPS Report*, pages 29 to 31 and 40.

⁵⁰ *EPS Report*, page 29.

⁵¹ *Ibid.*

⁵² *Ibid.*

⁵³ Information in this paragraph is taken from the *EPS Report*, pages 42, 47 and 59.

building space by 2030, the *EPS Report* estimates that approximately 44,000 PDR jobs would need to be accommodated on land zoned for PDR under Option B.

The *EPS Report* makes several conservative assumptions about how much space these 44,000 PDR jobs would need to ensure that the City's future PDR space needs are not underestimated. Specifically, the *EPS Report* assumes that:

- The existing average 0.6 to 1 Floor Area Ratio (FAR) of PDR uses in buildings in those areas zoned for PDR-only use in Option B applies to all new PDR-only and mixed-use development for 25 years into the future. However, land scarcity combined with a lack of competition from other uses, in addition to the higher average building FAR of several of the higher growth sub-sectors of PDR could result in modest increases in building FAR in PDR-only areas.⁵⁴ For example, a slight increase in the average PDR building FAR from 0.6 to 0.8 would decrease demand for PDR land by 6.4 million sq.ft. (from 27 million sq.ft. to 20.6 million sq.ft.).
- The average PDR employment density of 396 sq.ft. of building space per employee remains fixed for 25 years, although land scarcity may encourage a trend towards less space per employee (i.e., higher employment density). For example, a 10 percent increase in employment density over the next 25 years would decrease the projected demand for PDR land by approximately 2 million sq.ft. (from 27 million sq.ft. to 25 million sq.ft.).
- The current proportion of existing PDR jobs (10 percent) and building space (11 percent) accommodated in mixed-use buildings on lands zoned for PDR mixed-use in Option B is fixed for 25 years. This potentially may understate the space available for PDR uses in mixed-use PDR buildings.

Using these assumptions, the *EPS Report* concludes that 27.0 million total sq.ft. of PDR land would be required for future PDR jobs by 2030, including 23.8 million sq.ft. of PDR-only land plus an additional 3.2 million sq.ft. of mixed-use PDR land. If any of the conservative assumptions in the *EPS Report* were modified the estimated amount of space needed to accommodate future PDR job growth would also change.

⁵⁴ The FAR of 0.6 to 1 is not representative of the average FAR for all existing PDR uses in the Eastern Neighborhoods area, but merely for PDR-occupied buildings located on land proposed to be zoned for PDR in Option B. Accordingly, this FAR does not represent the average FAR of all existing buildings in the Eastern Neighborhoods where PDR uses are currently housed, including the 20,000 PDR jobs not located on land zoned for PDR in Option B.

Adequacy of Future PDR Land Supply Under Option B⁵⁵

Option B would zone roughly 41.3 million sq.ft. of land for PDR-only use in the four Eastern Neighborhoods community plan areas. However, 21.3 million sq.ft. of this future PDR-only land is already being utilized for a variety of non-PDR uses. The *EPS Report* conservatively assumes that none of this future PDR-only land (or any of the building space on it) would be available for future PDR use, leaving approximately 19.9 million sq.ft. of PDR-only land to accommodate the 23.8 million sq.ft. of estimated PDR-only land demand, resulting in a 3.8 million sq.ft. deficit of future PDR-only land supply. This represents a 14 percent deficit of projected demand for PDR-only land. (Option B would provide about 3.4 million sq.ft. of PDR-mixed use land, approximately 200,000 sq.ft. more than the need for PDR-mixed use land projected by the *EPS Report*). With the additional capacity of non-maritime industrial land at Hunters Point, however, the PDR-only land supply could reach 26.1 million sq.ft., within four percent of projected PDR-only demand. If all of the 15.6 million sq.ft. of maritime industrial land controlled by the Port were made available to PDR uses, the future PDR-only land supply would exceed projected PDR-only land demand by roughly 14.8 million sq.ft. or 162 percent.⁵⁶

Adequacy of Future PDR Building Space Under Option B⁵⁷

Based on the assumptions about the future average FAR of PDR uses, PDR employment density and the ability of PDR mixed-use land to accommodate PDR uses discussed above, the *EPS Report* concludes that future PDR job growth in the Eastern Neighborhoods would require a total of 16.7 million sq.ft. of total building space on PDR-only land by 2030, representing an increase of roughly 60 percent above the current amount of space occupied by PDR uses on those same parcels.⁵⁸ Currently, there is approximately 10.2 million sq.ft. of PDR building space on the approximately 19.9 million sq.ft. of PDR-only land in Option B, suggesting that at current employment densities, approximately 6.5 million sq.ft. of net new PDR building space would need to be built or accommodated in existing non-PDR buildings on the 41.3 million sq.ft. of land zoned PDR-only in the Option B "Base Case" (assuming that industrially-zoned lands in Hunters Point, Western SoMa, and Port property are not made available).

⁵⁵ Information from this section is taken from *EPS Report*, page 59.

⁵⁶ *EPS Report*, Figure 4.2 and page 59.

⁵⁷ Information for this paragraph is taken from the *EPS Report*, page 59 and Table 4.8, page 62,

⁵⁸ *EPS Report*, Table 4.8, page 59.

Potential for Future Cumulative PDR Employment Loss Under Option B

The Department projects a potential loss of 17,500 PDR jobs by 2030 based on the assumption that the 6.5 million sq.ft. deficit of PDR building space described above would not be satisfied by new construction, conversion of existing non-PDR structures to PDR use, higher PDR employment densities, higher FAR in PDR buildings or inclusion of Hunters Point, the Western SoMa or Port lands. Without taking into account the social and economic benefits of a range of alternate uses and jobs that could occupy former PDR space in the Eastern Neighborhoods, the potential loss of these projected 17,500 future PDR jobs would be considered an adverse social and economic effect.⁵⁹ For purposes of a conservative environmental analysis, this EIR concludes that the potential loss of these projected PDR jobs would be an adverse social and economic effect.

SAN FRANCISCO'S HOUSING NEEDS

Another social and economic concern guiding the Eastern Neighborhoods rezoning effort is a desire to address the City's housing needs as set forth in the *General Plan*. As required by state law, Part I (*Data and Needs Analysis*) of the City's *Housing Element*, (part of the City's *General Plan*), incorporates a set of six-year housing production goals ("housing need determinations") generated by the state Department of Housing and Community Development (HCD) in conjunction with the Association of Bay Area Governments (ABAG). ABAG is required by law to distribute the region's "fair share" of statewide housing need among the separate cities and counties of the nine-county Bay Area region.⁶⁰ San Francisco's "fair share" of the regional housing need for the period covering January 1999 through June 2006 (a 7.5 year period) was 20,372 units, or 2,717 units per year. Sixty-four percent of the total production goals is targeted for moderate, low, and very low income households as set forth in Table 2, page 64.⁶¹

⁵⁹ The Department has documented many of the socioeconomic benefits associated with existing PDR jobs, most notably that many PDR occupations pay higher wages to employees with lower levels of formal education compared to wages for similarly educated workers in the sales and service occupations (see *Draft Hausrath Report*, pp. 91-93), but there has not been any comparative analysis of the social and economic benefits of alternate land uses, businesses and occupations that might occupy space otherwise reserved for PDR businesses.

⁶⁰ The numbers supplied by ABAG are "goal numbers" and often exceed anticipated growth in housing units cities and counties expect to actually produce in a given year. Every city and county in the nine-county ABAG region must plan for the level of growth assigned by this process, in the state-mandated update of their respective *General Plan Housing Elements*.

⁶¹ The City does not prepare an independent estimate of long-range housing need, but the average annual need based on the current six-year ABAG housing needs determination goals can be used on an on-going basis as a rough approximation.

<p>Table 2 New Construction Housing Need by Income Category (January 1999- June 2006)</p>			
Household Income Groups¹	Affordability Criteria (percent of household income's maximum share of annual median income)¹	RHND² Housing Unit Allocation	Share
Very Low	50	5,244	25.7%
Low	80	2,126	10.4%
Moderate	120	5,639	27.7%
Above Moderate	> 120	7,363	36.1%
TOTAL		20,372	100.0%

Notes:

¹ The United States Department of Housing and Urban Development (HUD) defines qualifying criteria for each income group by share of the Primary Statistical Area's (PMSA's) median income, family size, and whether the housing unit is rental or ownership. HUD updates the medium income annually. In 2005, the HUD Median Income for the San Francisco PMSA was \$76,000 for a two-person household and \$95,000 for a four-person household. Thus, a four-person household would be in the Low Household Income Group if their household income were more than \$47,500 per year but less than or equal to \$76,000 per year, that is, greater than 50 percent but less than or equal to 80 percent of the PMSA's median income.

² Regional Housing Needs Determination. Housing unit production targets developed by the Association of Bay Area Governments, as required by State law (see Table I-50 and the related discussion on pages 79 to 80, San Francisco Planning Department, *Housing Element*, Part I, Needs Assessment, adopted May 13, 2004.

Source: Housing allocation information from the San Francisco *General Plan, Housing Element*, Adopted May 19, 2004, Part I, Section III, Table I-50, p. 79. Definitions of household income groups and affordability criteria are from San Francisco Planning Department, *Housing Inventory* 2005, p. 19, [http://www.sfgov.org/site/uploadedfiles/moh/Rent_Levels/MOH2006IncomeLimits\(1\).pdf](http://www.sfgov.org/site/uploadedfiles/moh/Rent_Levels/MOH2006IncomeLimits(1).pdf), accessed for this report on February 8, 2007.

Table 3, page 65, presents data on housing production performance (goals and actual production) for the periods 1989-1998 and 1999-2006. As described in Part I of the *Housing Element*, the City has chronically under produced housing, satisfying 41 percent of its average annual housing production goals or "needs" for the 6.5-year January 1989 to June 1995 period with production over the 10-year 1989-1998 period. For the 7.5-year period of January 1999-June 2006, the City produced 65 percent or 13,107 units of its total housing production goal of 20,372 net new units by the end of the 7-year production period for which data is available through December 2005 (it produced 69 percent on an annual average basis). Of the total number of housing units produced to date, the City produced 27

percent (29 percent on an annual basis) or 3,475 units of its goal to produce 13,009 BMR units affordable to moderate, low- and very low-income households.⁶²

Table 3 Housing Production Performance: 1989 - 2006										
Affordability Categories	January 1989 - June 1998 ¹					January 1999 - June 2006				
	Goals		Production			Goals ²		Production ³		
	1989-June 1995 (6.5 years)		1989-1998 (10 years) ⁴		Percent of Annual Target Achieved ⁵	(7.5 years)		Jan. 1999 - Jan. 2005 (7 years)		Percent of Annual Target Achieved ⁶
	Total	Annual	Total	Annual		Total	Annual	Total	Annual	
Very Low Income (below 50% AMI)	5,392	830	2,202	220	27%	5,244	699	2,355	336	48%
Low Income (50% - 79% AMI)	3,595	553	1,515	152	27%	2,126	283	565	81	28%
Moderate Income (80% - 120% AMI)	4,493	691	557	56	8%	5,639	752	555	79	11%
Above-Moderate (over 120% AMI)	8,987	1,383	9,893	989	72%	7,363	982	9,632	1,376	140%
Total Production Target	22,467	3,456	14,167	1,417	41%	20,372	2,716	13,107	1,872	69%

Notes:

- ¹ San Francisco Planning Department, *General Plan, Housing Element*, Part I, Data and Needs Analysis, Adopted May 13, 2004. Table I-65. Annual Production Targets and Average Annual Housing Production, 1989-1998, page 120.
- ² San Francisco Planning Department, *General Plan, Housing Element*, Part I, Data and Needs Analysis, Adopted May 13, 2004. Table I-50. New Construction Housing Need by Income Category (January 1999- June 2006), page 79.
- ³ San Francisco Planning Department, *Housing Inventory 2005*, Table 2, San Francisco Housing Trends 1985-2005, page 6.
- ⁴ ABAG Reporting Period.
- ⁵ Production over a ten year period did not achieve the six-year goals.
- ⁶ Data not yet available for 2006 so production period is one-half year shorter (seven years) than goal period (7.5 years).

Source: During Associates, 2007.

Part I of the *Housing Element* states that there are "more than enough in-fill housing opportunity sites to meet the projected housing needs"⁶³ but that a chronic shortfall in annual capital subsidies prevents the City from meeting its BMR housing production goals. Specifically, the *Housing Element*

⁶² Although data for the first six months of housing production in 2006 is not in the production totals, it is unlikely that six-month production totals would equal the unmet need for the period.

⁶³ See page 121 and the Inventory of Land Suitable for Residential Development, Section IV, Part I of the *Housing Element*.

estimates that capital subsidies would need to be increased over 300 percent to meet the City's annual BMR housing production targets.⁶⁴ While acknowledging that the annual housing production and affordability targets set by HCD and ABAG will be difficult to achieve, the *Housing Element* states that "setting the goals to be more 'realistic' and 'achievable' could only weaken efforts at seeking and obtaining resources necessary to meet the City's urgent housing needs."

Thus, absent increases in public financing for the production of BMR housing affordable to moderate, low- or very low-income households or significant changes in the underlying costs of producing housing in San Francisco, it is doubtful that cumulative residential development in the Eastern Neighborhoods rezoning study area between now and 2030 would meet the City's housing production goals or "needs" as defined in the *General Plan*.

While Part I of the *Housing Element* provides an analysis of housing data and needs, Part II of the City's *Housing Element* sets forth objectives, policies, and implementing programs to address the City's critical housing needs defined in Part I. In addition, the Department plans to address its housing production targets through initiatives such as the Citywide Action Plan (CAP), which will explore the challenge of meeting the need for both housing and jobs in ways that capitalize upon and enhance the best qualities of San Francisco as a place.⁶⁵ The CAP will direct a mix of housing and neighborhood-serving uses to places with good public transit and urban amenities, new office uses to the City's compact downtown core, and needed industrial uses to core industrial lands in portions of the City's east side, thereby releasing the rest for housing and other uses.

The *Housing Element's* objectives and policies supporting housing production to meet the City's overall need for housing and for affordable housing are as follows.

OBJECTIVE 1 (*Housing Supply*): Provide New Housing, Especially Permanently Affordable Housing, in Appropriate Locations, Which Meets Identified Housing Needs and Takes into Account the Demand for Affordable Housing Created by Employment Demand.

POLICY 1.1: Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are

⁶⁴ Ibid.

⁶⁵ San Francisco Planning Department, *San Francisco General Plan, Housing Element*, May 13, 2004, Part II, pp. 127-132. This report is available online for public review at: http://www.sfgov.org/site/uploadedfiles/planning/projects_reports/Adopt%20Preface.pdf, accessed for this report on March 8, 2007.

affordable to lower income households. Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character where there is neighborhoods support.

POLICY 1.3: Identify opportunities for housing and mixed-use districts near downtown and former industrial portions of the City.

OBJECTIVE 4 (*Housing Affordability*): Support Affordable Housing Production by Increasing Site Availability and Capacity.

POLICY 4.2: Include affordable units in larger housing projects.

POLICY 4.5: Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures.

POLICY 4.6: Support a greater range of housing types and building techniques to promote more economical housing construction and achieve a greater affordable housing production.

OBJECTIVE 8 (*Housing Access*): Ensure equal access to housing opportunities.

POLICY 8.4: Encourage greater economic integration within housing projects and throughout San Francisco.

OBJECTIVE 11 (*Housing Supply*): In increasing the supply of housing, pursue place making and neighborhood building principles and practices to maintain San Francisco's desirable urban fabric and enhance livability in all neighborhoods.

POLICY 11.1: Use new housing development as a means to enhance neighborhood vitality and diversity.

POLICY 11.2: Ensure housing is provided with adequate public improvements, services, and amenities.

POLICY 11.3: Encourage appropriate neighborhood-serving commercial activities in residential areas without causing affordable housing displacement.

POLICY 11.5: Promote the construction of well-designed housing that enhances existing neighborhood character.

POLICY 11.8: Strongly encourage housing project sponsors to take full advantage of allowable building densities in their housing developments while remaining consistent with neighborhood character.

POLICY 11.9: Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood character and scale.

POLICY 11.10: Include energy efficient features in new residential development and encourage weatherization in existing housing to reduce overall housing costs and the long-range cost of maintenance.

One implementing program of the *Housing Element*, the Residential Inclusionary Affordable Housing Program (*Planning Code* Sections 315 to 315.9), is the City's primary mechanism for producing BMR housing without the use of public subsidies in for-profit residential development.

The August 2006 Residential Inclusionary Affordable Housing Program requires 15 percent of total units be provided as BMR units affordable to households with annual incomes at or below the area median for for-sale projects or at or below 60 percent of area median income for rental projects; alternatively, if the BMR inclusionary units are constructed off-site, the equivalent of 20 percent of the project's total units must be reserved as BMR units. Consistent with the inclusionary program, the proposed project would provide a minimum of 27 BMR units specifically reserved for low-income renter households (15 percent of the project's total units).

In addition to providing new inclusionary BMR units, the project's contribution to the increased production of market-rate housing could moderate or reduce market-rate housing price increases relative to household income, thereby preventing further deterioration of overall housing affordability in San Francisco.⁶⁶

IMPACTS

Significance Criteria

A project would have a significant effect on the environment in terms of Land Use if it were to:

- Disrupt or divide the physical arrangement of an established community.
- Conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the project (including, but not limited to the *General Plan*, specific plan, local coastal

⁶⁶ Sedway Group for the City of San Francisco, *Implications of Changes to San Francisco's Inclusionary Housing Program*, December 20, 2001 (hereinafter referred to as the *Sedway Report*), page 5. The *Sedway Report's* literature search identified a body of academic research evaluating the relationship between additions to the for-sale housing stock and housing prices. Some of the more salient findings are that more new homes constructed per new jobs created in a given market, lowers median home prices. The *Sedway Report* also developed an econometric model predicated on the literature review's theoretical findings. The results indicated that housing prices in San Francisco are largely a function of per capita income levels, employment growth, and housing stock growth. Specifically, the model indicated that a 10 percent increase in the stock of owner-occupied housing could reduce housing prices by 4.1 percent.

program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect.

- Have a substantial adverse impact on the existing character of the vicinity.

As discussed in the Initial Study (see Appendix A), the proposed project would not disrupt or divide the physical arrangement of an established community, conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the project, or directly, substantially, or adversely alter the neighborhood's existing land use character. In addition, the proposed *CWNP* Demonstration District and *General Plan* amendments would have to be approved by the Board of Supervisors for the proposed project to be constructed. While the proposed project would intensify uses at this site compared to the existing vacant buildings and undeveloped land, such uses would be consistent with the *Draft CWNP* and the proposed *CWNP* Demonstration District and *General Plan* amendments.

Although the proposed project's direct land use impacts would be less than significant, its contribution to cumulative land use impacts, when combined with other reasonably foreseeable development in the Eastern Neighborhoods rezoning study area, may be significant. Thus, this EIR assesses the proposed project's contribution to cumulatively significant land use changes in the Eastern Neighborhoods rezoning study area by assessing the proposed project's cumulative effects on the City's ability to meet its (1) future PDR space needs, and (2) housing needs as expressed in the City's *General Plan*. CEQA defines a significant effect on the environment as a substantial, or potentially substantial, adverse change in a physical environmental condition (CEQA Guidelines Section 15382).

As discussed in the Initial Study, the social and economic changes resulting from a project should not be treated as significant effects on the environment under CEQA unless they involve substantial physical impacts. However, the social and economic effects of a substantial physical change may be used to determine if it is adverse (CEQA Guidelines Section 15064(e)). Thus, if the physical change caused by a project were substantial, and the social and economic effects caused by the substantial cumulative physical change were adverse, then the physical change would be a significant effect under CEQA.

For example, the cumulative approval of many mixed-use residential projects in formerly industrial areas where little housing exists may cause a substantial physical change in land use character, but

this physical change is not necessarily adverse. For example, the draft *CWNP* proposes rezoning a one- to two-block-wide corridor along Third Street stretching from Mariposa to 25th Street from M-2 to MURD. The proposed MURD would encourage mixed-use residential development in areas currently characterized by a mix of older multi- and single-story industrial and warehouse-style buildings housing an assortment of commercial uses, including many PDR businesses. After the rezoning, the physical character of this area would likely become more residential, as mixed-use residential buildings gradually replace existing building stock, and in some cases, displace existing PDR uses. Average building heights are likely to increase and architectural styles are likely to change as individual parcels are redeveloped with residential and small-scale commercial uses. The intensity of residential and mixed-use development could increase on the west side of Third Street, particularly between 22nd and 25th Streets, where the height limit would be raised from 50 to 65 and 85 feet. Existing activity and traffic patterns may also change as the area becomes more residential, with increased nighttime activity and pedestrian traffic, and less commercial truck and utility vehicle traffic. The addition of residents may also increase the vitality of neighborhood commercial uses along the Third Street corridor. If such a cumulative, substantial physical change in land use character resulted in adverse social and economic effects such as the loss of future projected PDR jobs due to a future projected shortage of PDR space or prevented the City from meeting its housing needs, this substantial physical change in land use character would be considered a significant effect.

CUMULATIVE IMPACTS ANALYSIS

Substantial Land Use Changes in the Eastern Neighborhoods Rezoning Study Area

As discussed in the Setting section, the Initial Study for the Eastern Neighborhoods rezoning area anticipates that the final Eastern Neighborhoods rezoning EIR will analyze cumulative physical land use change by identifying where changes in existing use and height and bulk districts could be expected to foster new development, particularly new residential construction. Specifically, the Initial Study for the Eastern Neighborhoods rezoning area states that new mixed-use residential development can reasonably be anticipated in those areas where the zoning would change to encourage mixed-use residential development where such development is currently difficult to approve, discouraged, or in some cases, prohibited. Increases in height, density, and bulk limits in these same areas also would be expected to encourage new mixed-use residential development. This is because, other things being equal, such zoning changes would make new mixed-use residential development more financially attractive to developers.

As noted on pages 17-18 of the Initial Study for the Eastern Neighborhoods rezoning area, the areas of greatest land use change are expected to be in Showplace Square and a seven block area immediately to the east, the Northeast Mission, and certain parts of the Central Waterfront and Eastern SoMa. In the Central Waterfront Neighborhood Plan area, the change to MURD from M-2 zoning would occur almost entirely in a one- to two-block-wide strip along Third Street, including the project site, between Mariposa and 25th Streets. Because the proposed project site is located in this area, this EIR assumes that the proposed project would contribute to a cumulatively substantial physical change in land use character in the greater Eastern Neighborhoods rezoning area.

Future PDR Space Needs in the Eastern Neighborhoods Rezoning Area

As discussed in detail in the Setting section, the project site is currently zoned M-2, a zoning designation that permits a wide-range of PDR uses, in addition to other non-PDR uses, including housing with CU authorization. However, the project site was designated as a *Mixed Use Housing Zone* in 2001 by Planning Commission Resolution No. 16202. Both drafts of the *CWNP* and all three zoning options (A, B, and C) in the *Eastern Neighborhoods Workbook* designate the project site as part of a new Central Waterfront MURD that specifically encourages high-density housing at the project site.⁶⁷ Accordingly, both the *EPS Report* and the *Draft Hausrath Report* analyze future PDR space supply based on MURD or PDR-mixed use zoning for the project site. As discussed in the Setting section, MURD zoning would allow only limited PDR development on the 1st and 2nd floors with housing strongly encouraged above the ground floor.⁶⁸

While the project site has never been occupied by a PDR business, because it is vacant land that is currently zoned M-2 it could theoretically be redeveloped for future PDR uses, exclusively or mixed with other compatible uses. Therefore, based on the assumptions used in the *EPS Report* and for purposes of the EIR, vacant land with M-2 zoning would be considered part of City's existing potential PDR land inventory that would be affected by cumulative development in the Eastern

⁶⁷ *Eastern Neighborhoods Proposed Permanent Zoning Controls: An Overview*, San Francisco Planning Department, October 6, 2005, Maps 2 and 3. (Go to the Planning Department's home page (<http://www.sfgov.org/planning>) scroll down the center column entitled "What's New" and click on the link to "Maps PART 2 of 2 (PDF – 8 MB)" under the publication cited here). This report is available online for public review at: http://www.sfgov.org/site/uploadedfiles/planning/Citywide/pdf/ALL_LAND_USE_MAPS_2.pdf.

⁶⁸ San Francisco Planning Department, *Draft Central Waterfront Plan*, December 2002, Proposed Land Use Plan, p. 37 and Table: Central Waterfront Proposed Zoning Districts and Uses, p. 38. This report is available online for public review at: http://www.sfgov.org/site/uploadedfiles/planning/neighborhoodplans/pdf/cw_dpr_chapter3_1.pdf, accessed for this report March 8, 2007.

Neighborhoods rezoning area.⁶⁹ Under the Option A scenario, there could be approximately 13 percent more PDR space available than Option B. Under Option C, there could be approximately 22 percent less PDR space available than under Option B.⁷⁰ While some PDR job loss would be expected under all three rezoning options, the *Draft Hausrath Report* concludes that the "losses and resultant impacts would be similar under expected future conditions without rezoning. Furthermore, the proposed rezoning offers the prospect for stemming longer-term further decline attributable to inadequate space and competition from other uses... [by offering] some land use certainty and guidance where it is now lacking. These land use regulatory tools could work in concert with interagency coordination and economic development efforts to broaden the base of job opportunities across a range of skill and experience levels in San Francisco, thereby resulting in better employment outcomes for more San Franciscans than would otherwise be the case."⁷¹

The proposed project would rezone and develop the project site into a mix of residential, restaurant, retail and day care uses. As a result, the proposed project would preclude a future PDR- use of the site, thereby incrementally reducing the supply of land suitable for PDR development in Eastern Neighborhoods rezoning study area to meet projected demand for PDR space. (As noted in the project's Initial Study, the project site has never been occupied by PDR businesses so the proposed project would not directly displace any PDR use).

Continuing declines in the supply of existing and potential future PDR space would, presumably, exacerbate the current and historic loss of PDR businesses and jobs in San Francisco. However, as noted in the *Draft Hausrath Report*, there is a considerable variation in the sensitivity of PDR businesses to the costs of space.⁷² Existing PDR businesses that own their own space (approximately 30 percent of existing businesses) are the least sensitive to increases in rents but may be influenced by rising land values to sell their space to a higher value use if the returns justify relocation or closure of the PDR business.⁷³ For the 70 percent of PDR businesses that rent space, price sensitivity is

⁶⁹ Using the same assumptions applied in the *EPS Report*, the 50,000-square-foot project site could theoretically provide approximately 0.62 FAR or 31,000 sq.ft. of PDR space.

⁷⁰ As discussed earlier in this EIR, the *Eastern Neighborhoods Workbook* provides a general sense of the range of difference between the three rezoning options (A, B, and C). These percentages were calculated from the estimates of "Created Capacity" for PDR space for the three zoning options, using the figures provided in *Eastern Neighborhoods Workbook*, page 91, Table: Zoning Options Assessment, Eastern Neighborhoods.

⁷¹ *Draft Hausrath Report*, page 96.

⁷² *Ibid.*

⁷³ *Ibid.*

directly related to location preferences and the trade-offs between location and cost of space.⁷⁴ The density of PDR business activity also influences sensitivity to the cost of space; those that require large, single-story areas are vulnerable to competition from businesses that can perform in higher-density formats.⁷⁵ Depending on the outcome of the Eastern Neighborhoods rezoning, relatively more or fewer PDR businesses and jobs could be displaced from the Eastern Neighborhoods rezoning area. The continuing loss of PDR businesses and employment "would mean some San Franciscans who have limited formal education or who are immigrants who do not speak English well would lose opportunities for local, higher wage jobs that offer good opportunities for advancement. Many of these people are existing residents of the Eastern Neighborhoods rezoning study area. Some workers would face a longer commute. San Francisco residents and businesses that rely on PDR services would experience longer delivery times or higher costs for PDR services. San Francisco residents and businesses would have fewer local options for PDR services and would either pay more for the local option or find an alternative provider elsewhere."⁷⁶ Lacking a comparative analysis of the potential social and economic benefits of alternate uses of former PDR space, this EIR concludes that the loss of future projected PDR jobs would, in and of itself, be considered an adverse social and economic effect.

The project site's 50,000 sq.ft. of land area is equal to 0.18 percent of the *EPS Report's* projected demand for 23.8 million sq.ft. of PDR-only land in the Eastern Neighborhoods study area by 2030. As noted in the Setting section, it is unclear whether the substantial physical land use changes generated by the final Eastern Neighborhoods rezoning would result in a cumulative net deficit of PDR space, contributing in turn to a loss of projected future PDR employment greater than what would be expected under current zoning. This uncertainty is due to the fact that both the Eastern Neighborhoods and Western SoMa planning efforts are ongoing processes, with final Eastern Neighborhoods rezoning and community plans not anticipated to be adopted until 2008. In addition, the conservative assumptions in the *EPS Report* and the availability of industrially-zoned land for PDR space in Hunters Point and Port lands also means that the projected PDR space deficit may be overstated. Finally, the *Draft Hausrath Report* concludes that "over the long-term, the rezoning proposal offers the possibility of more location advantages for PDR activity in San Francisco and therefore more PDR business activity and jobs than would otherwise be the case if there were no

⁷⁴ Ibid.

⁷⁵ Ibid.

⁷⁶ *Draft Hausrath Report*, page 41.

rezoning."⁷⁷ Therefore, it is speculative to draw conclusions regarding the cumulatively substantial physical land use changes in the Eastern Neighborhoods rezoning area.

However, given this uncertainty and pending the final outcome of the Eastern Neighborhoods rezoning process, this EIR assumes a worst case scenario where there is both strong future PDR job growth and demand for PDR space, where space suitable for PDR development in Hunters Point, Port property, and the Western SoMa is unavailable and where a more housing intensive rezoning option than "Option B" is approved. Under this worst case scenario, the proposed project would contribute to a greater deficit in PDR space than would otherwise occur under existing zoning, thereby contributing to greater future PDR job loss than would otherwise occur under existing zoning. For purposes of this EIR, this future PDR job loss would be considered an adverse social and economic effect. Therefore, because the proposed project's contribution to cumulatively substantial physical change in land use character in the Eastern Neighborhoods rezoning area would potentially cause an adverse social and economic effect, the project's contribution to cumulative land use effects in the Eastern Neighborhoods rezoning area would be considered significant and unavoidable.. No feasible mitigation measures have been identified.

San Francisco's Housing Need

The proposed project would contribute toward meeting the City's housing needs as set forth in the *General Plan* in the following ways:

- Produce 179 new residential units or six percent of the *Housing Element's* total annual housing production target of 2,852 units.
- Produce 27 on-site inclusionary BMR rental units reserved for low-income households. These new BMR units would contribute toward satisfying seven percent of the City's annual 373-unit 'low-income' housing production target set forth in Part I of the City's *Housing Element*.
- Produce a high-density, transit-oriented housing development on under-utilized industrially zoned land immediately adjacent to the new T-Third Street Muni Metro Light Rail in a location designated as desirable for such development in both Part II of the *Housing Element*, the Commission's *Interim Policies and Procedures for the Eastern Neighborhoods*, and in the *Draft CWNP*.

⁷⁷ *Draft Hausrath Report*, page 38.

For the above reasons, the proposed project would not adversely affect the City's ability to meet its housing needs as defined in the *General Plan*.

As described in greater detail in the Setting section, San Francisco has repeatedly failed to meet its annual housing production goals. For the January 1999 – June 2006 period, the City satisfied only 65 percent of its annual housing production goals or "needs", and only 27 percent of its cumulative goal to produce 13,009 BMR units affordable to moderate, low- and very low-income households.⁷⁸ One major obstacle to meeting the City's BMR production targets is adequate public funding—the *Housing Element* estimates that annual public subsidies would need to be increased over 300 percent to satisfy its BMR production goals.⁷⁹ In the meantime, the growth in the median price of market-rate housing continues to outpace the growth in median household income, further reducing the percentage share of San Francisco residents who can afford to purchase or rent a market-rate home in San Francisco. Under-production of new market-rate housing is not the sole reason for the rapid increase in housing prices in San Francisco and the Bay Area but it contributes to the City's affordable housing shortage.⁸⁰ Increasing market-rate housing supply in the Eastern Neighborhoods is one of several policy responses to the shortage of affordable housing. Assuming that the rate of employment and household income growth remain constant, increasing market-rate housing supply could, over time, improve the overall affordability of the housing market.⁸¹

Despite the benefits of substantially increasing housing production, there are concerns that increasing market-rate housing production could, in some circumstances, adversely affect housing affordability on a neighborhood level. Specifically, some housing advocates question whether substantial increases in market-rate housing production in neighborhoods with large concentrations of lower-income residents would lead to displacement of lower-income tenants and the permanent loss of housing once affordable to lower-income tenants. While these concerns about residential

⁷⁸ Although data for the first six months of housing production in 2006 is not in the production totals, it is unlikely that six-month production totals would equal the unmet need for the period.

⁷⁹ *Housing Element*, Part I, page 121.

⁸⁰ "While other factors may simultaneously fuel home appreciation, such as job growth, steadily increasing the supply of housing can serve to increase the availability of residential product at a range of price levels. Thus policies designed to increase home production in the City will indirectly increase the supply of affordable housing." *Sedway Report*, page 7.

⁸¹ *Draft Hausrath Report*, page 35.

displacement would not apply to the Central Waterfront, which has the most affluent residential population of all of the Eastern Neighborhoods planning areas.⁸²

The term "affordable" frequently is used to refer to both "permanently affordable" BMR housing (i.e., publicly subsidized and/or deed-restricted housing that is only available to households with specific qualifying incomes—see Table 2, page 65) and "market-rate" rental housing that is currently affordable to moderate or lower income renters due to a combination of rent control and local market conditions. While the loss of permanently affordable BMR housing is highly unlikely because of strict legal protections prohibiting demolition and conversion of BMR units, the stock of conventional market-rate rental housing is inherently more vulnerable to price changes caused by market demand. Among other factors, the introduction of substantial amounts of new market-rate housing in areas that have seen little such investment could influence public perception, leading to even greater market demand for existing rental units in the same area, contributing, in turn, to rising rents, increased eviction rates to permit conversions of existing rental stock to ownership housing, or in limited cases, demolition of existing, non-BMR rental stock to build new housing.

The *Draft Hausrath Report* notes that increased market-rate housing supply would create more BMR housing as a result of the recently amended Inclusionary Affordable Housing Program requirements to housing projects of five or more units. In addition, the *Draft Hausrath Report* concludes that, "With the proposed rezoning, there would be more housing supply potential to meet demand across a number of market segments. Generally, housing prices and rents for both new and existing housing, including vacated rental units, would be lower than would be the case with the more limited housing supply potential in these areas under existing zoning and continuation of existing market trends. Under the proposed rezoning, there would be less demand pressure to convert existing rental housing stock to relatively affordable for-sale housing. Under these less constrained market conditions, there also would be more housing options for newcomers. Furthermore, existing residents who have to find new housing would have more options for remaining in these areas of San Francisco than they would without the additional supply of both market-rate and affordable units."⁸³ Ultimately, the *Draft*

⁸² The Central Waterfront is the most affluent planning area in the Eastern Neighborhoods. Specifically, high income households outnumber low income households almost two to one. See pages 57-58 and Figure 24, *Draft Hausrath Report*. Almost 90 percent of all low income households in the Eastern Neighborhoods live in the Mission and Eastern SOMA. Page 58, *Draft Hausrath Report*.

⁸³ *Draft Hausrath Report*, page 35.

Hausrath Report concludes that, "the proposed rezoning would result in less displacement than otherwise expected in the face of continued demand for housing in San Francisco."⁸⁴

In addition, over the past several decades, San Francisco has implemented a series of local ordinances and policies designed to preserve the affordability of existing non-BMR rental housing and prevent its loss. These policies include the City's rent control and "just cause" eviction ordinances which provide relatively strong protections for existing tenants and, in rent-controlled units, prohibit significant rent increases except when an existing tenant vacates. Second, the City has established annual limits on the number of rental units in structures containing three to six units that may be converted to condominium ownership. Condominium conversions of rental apartments containing more than seven units are prohibited. Finally, through a combination of Planning Code and Planning Commission policies, the City actively discourages the merger and/or demolition of existing housing stock, regardless of whether it is rental or ownership.⁸⁵ These policies would continue to apply in the Eastern Neighborhoods planning areas, regardless of whether a substantial amount of new housing is built. For all of the above reasons, it is highly speculative to assume that a substantial increase in the supply of new market-rate housing in the Eastern Neighborhoods rezoning area would exacerbate the loss of affordable housing, especially in the Central Waterfront area.

In sum, the proposed project would contribute to the City's annual housing production targets. As discussed above, however, a variety of issues unrelated to the proposed project or future cumulative residential development in the Eastern Neighborhoods rezoning area would likely prevent the City from meeting its annual BMR housing production targets. As such, while the proposed project would contribute to a cumulatively substantial physical land use change, this physical change would not contribute to any adverse social and economic effects related to the City's ability to meet its housing needs as expressed in the *General Plan*, therefore, this cumulatively substantial physical change in land use character would not be considered a significant effect.

⁸⁴ Ibid.

⁸⁵ The Commission recently adopted Resolution 16700 which enacted a policy requiring mandatory discretionary review of residential demolition applications not subject to Conditional Use. Under the Temporary Residential Demolition Policy, permit applications to demolish any residential structure, unless Conditional Use authorization is required for demolition approval, are subject to mandatory Discretionary Review (DR) hearings, with the following exceptions: structures determined to be public hazards or structures damaged beyond feasible repair by fire, earthquake, or other act of God to be demolished and replaced in kind, and recommended for demolition by the Director of the Department of Building Inspection are exempt from mandatory Discretionary Review under this policy.

B. OTHER ITEMS NOT INCLUDED IN THE INITIAL STUDY

On May 23, 2006, the Board of Supervisors adopted Ordinance 116-06, directing the City to use a CEQA Initial Study Checklist based on the form included in Appendix G of the state CEQA Guidelines. Accordingly, the Planning Department adopted a new Initial Study Checklist, consistent with Appendix G but also incorporating additional questions specific to the urban environment of San Francisco. This new checklist includes some questions not included in the Initial Study for the proposed project, published July 22, 2006. The following discussion provides information about the proposed project's effects on those issues included in the new checklist.

TRANSPORTATION

The proposed project would not change air traffic patterns, and would not create substantial air traffic safety risks. The project would not adversely affect any LOS standards established by the San Francisco Transportation Authority. The proposed project would not include features that would conflict with adopted policies, plans, or programs supporting alternative transportation. The proposed project would not have unusual characteristics or particular design features that would substantially increase traffic hazards. Likewise, the proposed project would not create a significant emergency access impact because the project site would not block streets and is accessible from major streets, including Third Street.

NOISE

The project site is not within an airport's land use plan area nor near a private airstrip, therefore the proposed project would not subject users of the project site to airport-related noise. Pile driving is not proposed as part of the proposed project, therefore, the project would not create unusual levels of ground-borne vibration that could disturb nearby residents or businesses, and vibration impacts would be less than significant.

RECREATION

The proposed project would provide about 8,884 square feet of common usable open space in the form of a large internal landscaped courtyard, roof-top open space, and three new publicly accessible "pocket plazas" along the Third Street frontage. The proposed project would also include approximately 4,800 square feet of private usable open space in the form of 83 individual terraces

and balconies. The nearest Recreation and Park Department property is Esprit Park, about two blocks to the west, between 19th, 20th, Minnesota, and Indiana Streets. The project would be located within walking distance of Esprit Park. Thus, project residents would have convenient access to private and public open space. The proposed project would not substantially increase demand for or use of the neighborhood park, or citywide facilities, such as Golden Gate Park, in a manner that would cause substantial physical deterioration. The proposed project's 179 residential units would not require the construction of new recreational facilities or the expansion of existing facilities. The proposed project's impact on existing recreational facilities would be less than significant.

UTILITIES AND PUBLIC SERVICES

As noted in the Initial Study (see Appendix A), the project would not require new or substantially expanded infrastructure to maintain utilities and public services standards. Existing water supply entitlements and resources would serve project water and wastewater demand. Project solid waste would be recycled as feasible at the Norcal transfer station, with non-recyclables disposed of at the Altamont Landfill where adequate capacity exists to serve the needs of San Francisco. The proposed project would comply with federal, state, and local statutes and regulations related to solid waste. The project demand for police, fire, schools, parks, and other public services would not require new or altered governmental facilities in order to maintain acceptable performance standards.

BIOLOGICAL RESOURCES

There are no adopted habitat conservation plans applicable to the project site, nor does the site include any riparian habitat.

HYDROLOGY AND WATER QUALITY

Flooding hazards from locating housing within a 100-year flood zone would not be an issue because no portion of San Francisco is within a 100-year flood zone.

HAZARDS

The project site is not within an airport's land use plan area, nor near a private airstrip, therefore, the proposed project would not subject users of the site to related locational hazards.

MINERAL AND ENERGY RESOURCES

No mineral resources are located on or near the project site and the proposed project would have no effect on mineral resources.

AGRICULTURAL RESOURCES

No agricultural resources are located on or near the project site and the proposed project would have no effect on agricultural resources.

IV. MITIGATION AND IMPROVEMENT MEASURES PROPOSED TO MINIMIZE THE POTENTIAL ADVERSE IMPACTS OF THE PROPOSED PROJECT

In the course of project planning and design, measures have been identified that would reduce or eliminate potentially significant environmental impacts of the proposed project. Decision-makers would require mitigation measures identified in this EIR and in the Initial Study as conditions of project approval unless they are demonstrated to be infeasible based on substantial evidence in the record. Implementation of some measures may be the responsibility of public agencies.

Each mitigation measure is discussed below. Measures from the Initial Study (see Appendix A) proposed as part of the proposed project are indicated with an asterisk (*).

The project sponsor has agreed to implement all measures in Chapter IV: Mitigation Measures Proposed to Minimize the Potential Adverse Impacts of the Project in an agreement dated April 5, 2007.⁸⁶

*** MITIGATION MEASURE 1**

Construction Noise Control Measures

The project sponsor shall require the construction contractor(s) to implement the following standard noise construction control measures:

- Equip all internal combustion engine driven equipment with intake and exhaust mufflers which are in good condition and appropriate for the equipment.

⁸⁶ This mitigation agreement is on file and available for public review by appointment at the San Francisco Planning Department, 1660 Mission Street, Fifth Floor, San Francisco, as part of Project File No. 2002.1302E until April 20, or at 1650 Mission Street., Suite 400 after April 20.

- Locate stationary noise generating equipment as far as possible from sensitive receptors when sensitive receptors adjoin or are near a construction project area.
- Utilize "quiet" air compressors and other stationary noise sources where technology exists.
- The contractor shall prepare a detailed construction plan identifying the schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with the adjacent noise sensitive facilities so that construction activities can be scheduled to minimize noise disturbance.
- Designate a "disturbance coordinator" who would be responsible for responding to any local complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and will require that reasonable measures warranted to correct the problem be implemented. The project sponsor shall conspicuously post a telephone number for the disturbance coordinator at the construction site and include it in the notice sent to neighbors regarding the construction schedule.
- Prohibit large trucks from accessing the construction site prior to 7:00 a.m.

*** MITIGATION MEASURE 2**

Construction Air Quality Measures

The project sponsor shall require the construction contractor(s) to spray the project site with water during demolition, excavation, grading, and site preparation activities; spray unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other such material; cover trucks hauling debris, soils, sand or other such material; and sweep surrounding streets during these periods at least once per day to reduce particulate emissions. Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the project sponsor shall require the construction contractor(s) to obtain reclaimed water from the Clean Water Program for this purpose.

The project sponsor shall require the project contractor(s) to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants, by such means as prohibiting idling motors when equipment is not in use or when trucks are waiting in queues, and implementing specific maintenance programs to reduce emissions for equipment that would be in frequent use for much of the construction period.

* **MITIGATION MEASURE 3**

Hazards (Lead-Contaminated Soil)

Step 1: Determination of the Presence of Lead-Contaminated Soil

Prior to approval of a building permit for the project, the project sponsor has hired a consultant to collect soil samples (borings) from areas on the site in which soil would be disturbed and test the soil samples for total lead.

Step 2: Handling, Hauling, and Disposal of Lead Contaminated Soils

- Specific work practices: Based on the results of the soil tests conducted, DPH determined that the soils on the project site are contaminated with lead or other contaminants at or above potentially hazardous levels. Therefore the construction contractor shall undertake the soil remediation work specified in the SMP in the manner specified in the SMP. Further, the construction contractor should be alert for the unlikely presence of such soils during other construction activities on the site (detected through soil odor, color, and texture and results of on-site soil testing), and shall be prepared to handle, profile (i.e., characterize), and dispose of such soils appropriately (i.e., as dictated by local, state, and federal regulations, including OSHA lead-safe work practices) when such soils are encountered on the site.
- Dust Suppression: Soils exposed during excavation for site preparation and project construction activities shall be kept moist throughout the time they are exposed, both during and after work hours.
- Surface Water Runoff Control: Where soils are stockpiled, visqueen shall be used to create an impermeable liner, both beneath and on top of the soils, with a berm to contain any potential surface water runoff from the soil stockpiles during inclement weather.
- Soils Replacement: If necessary, clean fill or other suitable material(s) shall be used to bring portions of the project site, where contaminated soils have been excavated and removed, up to construction grade.
- Hauling and Disposal: Contaminated soils shall be hauled off the project site by waste hauling trucks appropriately certified with the State of California and adequately covered to prevent dispersion of the soils during transit, and shall be disposed of at a permitted hazardous waste disposal facility registered with the State of California.

Step 3: Report Filing and Inspection Scheduling

The San Francisco Department of Public Health, Environmental Health-Hazardous Waste Unit (EHS-HWU) has approved the mitigation plan and expects that a final health and safety

plan will be submitted two weeks before work the soil remediation work commences and then contacted again one week before work commences to schedule inspections.

Step 4: Preparation of Closure/Certification Report

After soil remediation and foundation construction activities are completed, the project sponsor shall prepare and submit a closure/certification report to DPH for review and approval. The closure/certification report shall include the mitigation measures in the SMP for handling and removing contaminated soils from the project site, whether the construction contractor modified any of these mitigation measures, and how and why the construction contractor modified those mitigation measures.

*** MITIGATION MEASURE 4**

Hazards (PCBs)

The project sponsor would ensure that building surveys for PCB-containing equipment (including elevator equipment), hydraulic oils, and fluorescent lights are performed prior to the start of demolition. Any hazardous materials so discovered would be abated according to federal, state, and local laws and regulations.

*** MITIGATION MEASURE 5**

Archeological Resources (Accidental Discovery)

The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in *CEQA Guidelines* Section 15064.5(a)(c). The project sponsor shall distribute the Planning Department archeological resource "ALERT" sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); or utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken each contractor is responsible for ensuring that the "ALERT" sheet is circulated to all field personnel including, machine operators, field crew, pile drivers, supervisory personnel, etc. The project sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the "ALERT" Sheet.

Should any indication of an archeological resource be encountered during any soils disturbing activity of the project, the project Head Foreman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.

If the ERO determines that an archeological resource may be present within the project site, the project sponsor shall retain the services of a qualified archeological consultant. The archeological consultant shall advise the ERO as to whether the discovery is an archeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archeological resource is present, the archeological consultant shall identify and evaluate the archeological resource. The archeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor.

Measures might include: preservation in situ of the archeological resource; an archeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is required, it shall be consistent with the Major Environmental Analysis (MEA) division guidelines for such programs. The ERO may also require that the project sponsor immediately implement a site security program if the archeological resource is at risk from vandalism, looting, or other damaging actions.

The project archeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describing the archeological and historical research methods employed in the archeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.

Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public

interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.

*** IMPROVEMENT MEASURE 1**

Parking

As a means to reduce the project's parking shortfall, the project sponsor could consider implementing one or more of the following improvement measures:

- To encourage restaurant, and retail employees to use alternate means of travel, the project sponsor could provide (or require the individual restaurant and retail tenants to provide) reduced rate or free transit passes.
- The project sponsor could provide on-site transit information (such as schedules, fare guides, and maps) and provide transit maps and directions for transit at the project's web site (if available).
- The project sponsor could coordinate with a car-sharing service certified under *Planning Code* Section 166 to promote the use of car-sharing by residents.
- Although the project would provide bicycle parking spaces that could be used by restaurant, and retail users, to further encourage bicycle use by employees, the project sponsor could provide separate shower and locker facilities.

*** IMPROVEMENT MEASURE 2⁸⁷**

Construction

Although construction impacts would be temporary, if determined needed, truck turning movements could be limited to the hours between 9:00 a.m. and 3:30 p.m. (or other times, if approved by MTA). This would minimize disruption of the general traffic flow on adjacent streets during the a.m. and p.m. peak periods.

The project sponsor and construction contractor(s) would meet with the Traffic Engineering Division of the MTA, the Fire Department, and the Planning Department to determine feasible measures to reduce traffic congestion, including transit disruption and pedestrian circulation impacts during construction of the proposed project. Prior to starting construction, the Project Sponsor should contact the MUNI Street Operations and Special Events Office, to coordinate construction activities.

⁸⁷ A loading improvement measure in the Initial Study is no longer necessary since the project increased loading capacity to accommodate anticipated demand.

V. OTHER CEQA ISSUES

This chapter discusses other CEQA-required topics, including growth-inducing impacts, significant and unavoidable environmental effects of the proposed project, and areas of controversy and issues to be resolved.

A. GROWTH INDUCEMENT

Three conditions make a project growth inducing: (1) its construction and use would encourage a substantial population increase; (2) it would indirectly stimulate new development that would not occur without the proposed project; (3) it would involve new infrastructure (such as water or sewer utilities) with capacity to serve other projects. The proposed infill project at 2225-2255 Third Street entails construction of new buildings providing 179 multi-family residential units, 5,262 square feet of restaurant uses, 11,434 square feet of retail space fronting Third Street, 2,393 square feet of day-care services, a below-grade parking garage accessed from Illinois Street with about 157 parking spaces, 50 bicycle spaces, and two off-street loading spaces. The proposed project would increase the daily population on the project site by about 315 residents and 52 employees. Because of the current demand for housing, combined with the April 2007 opening of the new Muni Metro T-Third Street Light Rail, which would exist with or without the project, the proposed project would not induce substantial growth or concentration of population beyond that which would have occurred without the project. Some project residents may move to San Francisco from other parts of the Bay Area to be closer to their employment. To the extent this occurs, the proposed project would reduce commuting. The proposed project would be located in an urbanized area and would not provide new infrastructure that would increase existing utility service capacity. For these reasons, the proposed project would not cause significant growth-inducing impacts.

B. SIGNIFICANT UNAVOIDABLE EFFECTS

In accordance with CEQA, this section identifies environmental impacts that mitigation measures could not eliminate or reduce to an insignificant level as described in Chapter IV: Mitigation and Improvement Measures Proposed to Minimize the Potential Adverse Impacts of the Proposed Project, pages 81 through 86 (CEQA Statutes Section 21100(b)(2)(A), and CEQA Guidelines Section 15126.2). This chapter is subject to final determination by the Planning Commission as part of its certification of the EIR, and staff will revise it to reflect the findings of the Planning Commission, if necessary.

The proposed project, with mitigation measures, would have the following unavoidable significant cumulative land use effect:

- The cumulative mixed-use and residential development anticipated to occur under Option B or another Eastern Neighborhoods rezoning option may or may not provide enough PDR space to meet projected future growth in PDR jobs, depending on a variety of factors and assumptions. Notably, the *Draft Hausrath Report* concludes that with or without rezoning, there would be PDR job loss, but that the Eastern Neighborhoods rezoning offers the long-term possibility of more PDR business activity and jobs than would otherwise be the case.⁸⁸ However, given the uncertainty surrounding future growth in PDR jobs, future PDR job loss under existing zoning, and the final outcome of the Eastern Neighborhoods rezoning process, this EIR assumes a worst case scenario where there is both strong future PDR job growth and demand for PDR space, where space suitable for PDR development in Hunters Point, Port property, and the Western SoMa is unavailable and where a more housing intensive rezoning option than "Option B" is approved. Under this worst case scenario, the proposed project would contribute to a greater deficit in PDR space than would otherwise occur under existing zoning, thereby contributing to greater future PDR job loss than would otherwise occur under existing zoning. For purposes of this EIR, this future PDR job loss would be considered an adverse social and economic effect. Therefore, because the proposed project's contribution to cumulatively substantial physical change in land use character in the Eastern Neighborhoods rezoning area would potentially cause an adverse social and economic effect, the project's contribution to cumulative land use effects in the Eastern Neighborhoods rezoning area would be considered significant and unavoidable.

C. AREAS OF CONTROVERSY AND ISSUES TO BE RESOLVED

This Draft EIR assesses the significance of the proposed project's contribution to cumulative land use effects in the Eastern Neighborhoods rezoning area related to the proposed project's contribution

⁸⁸ *Draft Hausrath Report*, pp. 38-41

to cumulatively substantial physical change in land use character by assessing whether such substantial physical change would, in turn, adversely affect the City's ability to meet its projected future PDR space needs and its housing needs as expressed in the *General Plan*. The Initial Study (see Appendix A) found that all other environmental effects would be less than significant, in some cases with required mitigation measures to which the project sponsor agreed.

On July 22, 2006, the Planning Department issued a "Notice of Preparation of an Environmental Impact Report." Individuals and agencies that received these notices included owners of properties within 300 feet of the project site, tenants of properties adjacent to the project site, and other potentially interested parties, including various regional and state agencies. This section of the EIR discusses issues the public raised in response to the notices.

With the publication of the Draft EIR, there will be another public comment period on the adequacy and accuracy of the environmental analysis of the Draft EIR from April 7 to May 21, 2007. Following the Planning Department's publication and distribution of written responses to all comments received on the Draft EIR (the C&R document), the EIR will go before the Planning Commission for certification. After certification, the Planning Commission and the Board of Supervisors will decide whether to approve the project.

VI. ALTERNATIVES TO THE PROPOSED PROJECT

This chapter identifies alternatives to the proposed project and discusses environmental impacts associated with each alternative. Decision-makers could adopt any of the following alternatives instead of the proposed project if an alternative would reduce or eliminate significant environmental impacts of the project and is determined to be feasible and would attain most of the basic objectives of the project. This determination of feasibility will be made by project decision-makers based on substantial evidence in the record that shall include, but not be limited to, information presented in this EIR and comments received on the Draft EIR.

Alternatives were selected that would reduce identified impacts of the proposed project. The following alternatives are evaluated: a No-Project Alternative, a Code-Complying Alternative, in which the proposed project would comply with current zoning controls, and a PDR Alternative that would develop the site under the Mixed Residential zoning concept proposed for the site in the current Eastern Neighborhoods rezoning initiative. Other alternatives, with a variety of configurations, could also be considered by decision-makers, provided the proposed uses are similar to the land uses analyzed in the proposed project or the alternatives. The project sponsor intends to build a mixed residential-retail project, and other uses would not meet the basic objectives of the project. Furthermore, the project site and vicinity have been designated in the *Draft CWNP* for the more intense and varied land use of a MURD.

Whether property is owned or can reasonably be acquired by the project sponsor has a strong bearing on the feasibility of developing a project alternative at a different site. No viable alternative sites have been identified within San Francisco where the proposed project could be constructed that would meet most of the project sponsor's objectives and where the project's environmental impacts would be substantially lessened or avoided.

A. ALTERNATIVE A: NO PROJECT

The California Environmental Quality Act and the State CEQA Guidelines require a No Project Alternative be included in EIRs. The purpose of the No Project Alternative is to allow decision-makers to compare the effects of the proposed project with the effects of not approving a project.

Description

The No Project Alternative would not change the two existing historic buildings surrounded by vacant, undeveloped land. The building at 2225 Third Street is a vacant 34-foot-tall, three-story-above-basement masonry and heavy timber former warehouse that last contained approximately 14,400 square feet of commercial office use. The building at 2255 Third Street is an 18-foot tall, one-story-above-basement masonry and heavy timber structure that last contained 8,500 square feet of commercial office use. The remainder of the project site, approximately 39,000 square feet (including the entire eastern half of the property fronting Illinois Street), was used as a metal scrap yard since the 1920s. The entire property has been vacant since 1999 except for the building located at 2255 Third Street, which has been donated to a variety of non-profit uses on a temporary basis pending construction of the project. The proposed residential project, with ground-floor retail and restaurant uses, would not be built and the height limits on the site would not be increased from 50 feet to 65 feet.

This alternative, however, would not preclude future proposals for redevelopment of the project site for uses permitted under any of the three land use controls: (1) the existing M-2 Zoning District and the 50-X Height and Bulk District; (2) the existing interim "Mixed-Use Housing Zone" Planning Commission Policy (Resolution No. 16202); or (3) the anticipated Mixed-Use Residential District anticipated in the December 2002 *Draft CWNP*. A wide range of uses are permitted in the M-2 Zoning District since it is the city's least restrictive zoning district. Heavier industrial uses are permitted with fewer screening and enclosure requirements, but often as a conditional use or located at a considerable distance from residential districts. Residential uses would be permitted with a CU authorization. In the interim Mixed-Use Housing Zone, the Planning Commission exercises its discretionary review authority to "encourage mixed-use housing development, especially proposals for housing that maximize the allowable densities and affordability standards." Principally permitted uses in the proposed MURD of the *Draft CWNP* include residential, office, retail, light PDR uses,

and art activities. Institutional uses would be conditionally permitted, and PDR, heavy PDR, research and development, office, and noxious uses would not be permitted.

For the purposes of this analysis, it is assumed that the existing structures and vacancy would not change.

Impacts

If the No Project Alternative were implemented, none of the impacts associated with the proposed project would occur. The significant cumulative land use effect related to PDR space impact would be avoided, but might arise with a future project proposal. The Initial Study (Appendix A) found that all of the other environmental effects of the proposed project would be less than significant, including effects on visual quality, population, transportation/circulation, noise, air quality/climate, utilities/public services, biology, geology/topography, water, energy/natural resources, hazards, and cultural resources. The mitigation measures specified in Chapter IV, Mitigation and Improvement Measures, and in the Initial Study (Appendix A), would be required and the project sponsor has agreed to implement them. Under the No Project Alternative, the 179 new residential units, which includes the 27 BMR units, would not be added to the City's housing stock, and would not contribute to the City's ability to meet its housing needs as expressed in the *General Plan*. The No Project Alternative would not meet any of the project sponsor's objectives.

If the Planning Commission selected this No Project Alternative, and a different development proposal for all or part of the project site were submitted in the future, that proposal would be subject to a separate project-specific environmental review under the requirements of CEQA.

B. ALTERNATIVE B: CODE-COMPLYING ALTERNATIVE

Description

Alternative B, the Code-Complying Alternative, would preserve and renovate the two existing historic buildings and construct five new buildings above a new below-grade parking podium. This alternative would include about 195,758 square feet of total floor area and would include about 83 residential units, 45,698 square feet of office uses, 5,262 square feet of restaurant uses, 11,434 square feet of retail space fronting Third Street, and 2,393 square feet of day-care services. Ten (10) BMR units would be provided in compliance with the City's Residential Inclusionary Affordable Housing

Program requirements.⁸⁹ The 121-space below-grade parking garage would be accessed from Illinois Street and would include 81 independently accessible spaces, one off-street car-share space, 40 stacked spaces, and 25 bicycle spaces. As with the proposed project, it would include two off-street loading spaces, one at street-level off Third Street and a second one located at the southern edge of the Illinois Street façade. There would also be an on-street freight-loading zone in front of the Illinois Street buildings. The two new structures facing Third Street would be 35 feet (three stories) tall and beyond a 20-foot setback from the property line would be 50 feet (five stories). The three new buildings facing Illinois Street would be 50 feet tall (five stories).

The alternative is similar to the proposed project, differing only in a few respects: 19 percent less total square feet (195,758 vs. 242,185), 54 percent fewer residential units (83 vs. 179), 100 percent more office space (45,698 vs. 0), 23 percent fewer parking spaces (121 vs. 157), one less loading space (1 vs. 2), and two more buildings on Illinois Street with all three buildings being 15 feet shorter than the proposed project's one, 65-foot high building.

The Code-Complying Alternative would not exceed the density allowed under current zoning or the 50 feet in height allowed under the existing 50-X height and bulk district. As such, it would be consistent with the existing MUHZ designation under the interim policies of Planning Commission Resolution No. 16202. This Alternative would not require a *General Plan* amendment to create the temporary *Draft CWNP* MURD or the height reclassification to increase the height & bulk designation to 65-X. This alternative would require CU authorization from the Planning Commission for a PUD that would permit the following: (1) residential use in an M-2 zoning district; (2) residential density to 83 dwelling units for the subject site; (3) provision of open space in a central courtyard in lieu of a conventional 25 percent rear yard; and (4) an exception from Section 140 regarding dwelling unit exposure requirements for those units not fronting onto a public right-of-way.

Impacts

The Code-Complying Alternative's environmental impacts would not be expected to differ substantially from those of the proposed project because its land uses would not be substantially

⁸⁹ Because the Code-complying alternative would not require a Zoning Map or Planning Code text amendment that would result in a net increase in the number of permissible units, the amended Inclusionary Affordable Housing Program requirement of 15 percent would not apply.

different. It would have the same significant and unavoidable cumulative land use and PDR space impacts.

Mitigation measures identified in Chapter IV: Mitigation and Improvement Measures Proposed to Minimize the Potential Adverse Impacts of the Proposed Project would reduce the impacts of both this alternative and the proposed project on construction noise and air quality, hazardous materials (lead-contaminated soils and PCBs), and archeological cultural resources to less-than-significant levels. This alternative's smaller size and intensity would generate lower impacts than the proposed project's other less-than-significant effects that the Initial Study evaluates (see Appendix A), including visual quality, population, operational noise, transportation, air quality, shadow, wind, geology and seismicity, hazards, utilities, and public services.

The Code-Complying Alternative would not meet the project sponsor's objectives of providing the desired mix and number of residential units and retail space in the Central Waterfront area.

C. ALTERNATIVE C: PDR MIXED-USE ALTERNATIVE

Description

Alternative C, the PDR Mixed-Use Alternative, would be physically identical to the proposed project, including exterior design and open space, with the sole exception of the inclusion of about 26,500 sq.ft. of PDR space that would occupy a portion of the basement-level parking garage and all of the former residential areas on the podium level of the Illinois Street building. Conversion of this interior space would result in about 157 residential units compared to 179 units for the proposed project, or about 22 fewer units. There would be 24 BMR units (15 percent of 157) compared to 27 BMR units in the proposed project. There would still be about 5,262 square feet of restaurant uses, 11,434 square feet of retail space fronting Third Street, and 2,393 square feet of day-care services. The parking garage would have about 118 parking spaces, compared to the proposed project's 157 spaces. As with the proposed project, there would be two off-street loading spaces; one located at street-level off Third Street and a second one located at the southern edge of the Illinois Street façade. Like the proposed project, there would also be an additional on-street freight-loading zone located in front of the Illinois Street buildings. Alternative C would also provide roll-up doors on Illinois Street to serve the PDR space located directly off Illinois Street in the former garage space.

As with the proposed project, Alternative C would also require a *General Plan* amendment and rezoning of the project site from its current M-2 (Heavy Industrial) zoning to create a temporary "Central Waterfront Neighborhood Plan Demonstration District" that would enact most of the zoning controls proposed for the project site in the December 2002 *Draft CWNP*, including a new 65-foot height designation. The proposed *CWNP* Demonstration District would expire when a final *CWNP*, including zoning controls, is adopted by the Board of Supervisors and implemented by the City.

Impacts

The PDR Mixed-Use Alternative's environmental impacts would not be expected to differ substantially from those of the proposed project. The addition of about 26,500 sq.ft. of PDR space and 22 fewer units would have similar environmental effects. The PDR space would reduce the proposed project's significant and unavoidable cumulative land use effect related to the projected future cumulative loss of PDR space and jobs, but not to a less-than-significant level. The additional residential units would contribute to the City's ability to meet its housing needs as expressed in the *General Plan*, although to a lesser degree than the proposed project.

Mitigation measures identified in Chapter IV: Mitigation and Improvement Measures Proposed to Minimize the Potential Adverse Impacts of the Proposed Project would reduce the impacts of both this alternative and the proposed project on construction noise and air quality, hazardous materials (lead-contaminated soils and PCBs), and archeological cultural resources to less-than-significant levels. The PDR Mixed-Use Alternative would have about the same or slightly greater impacts than the proposed project's less-than-significant effects on visual quality, population, operational noise, transportation, air quality, shadow, wind, geology and seismicity, hazards, utilities, and public services. See the Initial Study (Appendix A) for discussion of these impacts.

The PDR Mixed-Use Alternative would not meet the project sponsor's objectives of providing the desired mix of residential units and retail space in the Central Waterfront area, however, this alternative would be the environmentally superior alternative, because it would reduce the project's potential contribution to cumulatively significant land use effects, but not to a less-than-significant level.

VII. DRAFT EIR DISTRIBUTION LIST

A. DRAFT EIR DISTRIBUTION LIST

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Northwest Information Center
Attn: Leigh Jordan, Coordinator
Sonoma State University
1303 Maurice Avenue
Rohnert Park, CA 94928

State Office of Intergovernmental
Management (15 copies)
State Clearinghouse
1400 Tenth Street, Room 121
P.O. Box 3044
Sacramento, CA 95812-3044

Tim Sable, IGR CEQA Branch
California Department of Transportation
Office of Transportation Planning – B
P.O. Box 23660
Oakland, CA 94623-0660

Office of Historic Preservation (SHPO)
Attn: Milford Wayne Donaldson FAIA
California Department of Parks and
Recreation
P.O. Box 942896
Sacramento, CA 94296-0001

Department of Toxic Substances Control
700 Heinz Avenue, Suite 200
Berkeley, CA 94710-2721

CITY AND COUNTY OF SAN FRANCISCO

San Francisco Planning Commission
1660 Mission Street
San Francisco, CA 94103
Attn: Linda Avery, Commission Secretary
Dwight S. Alexander – President
Christina Olague – Vice President
Michael J. Antonini
Sue Lee
William L. Lee
Kathrin Moore
Hisashi Sugaya

Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689
Attn: Gloria Young, Clerk of the Board
Aaron Peskin, Board President
Michela Alioto-Pier
Tom Ammiano
Chris Daly
Bevan Dufty
Sean Elsbernd
Ed Jew
Sophie Maxwell
Jake McGoldrick
Ross Mirikami
Gerardo Sandoval

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1660 Mission Street
San Francisco, CA 94103
Attn: Sonya Banks, Secretary
M. Bridget Maley, President
Robert W. Cherny, Vice President
Lily Chan
Courtney Damkroger
Ina Dearman
Karl Hasz
Alan Martinez
Johanna Street

Matthew Franklin
Mayor's Office of Housing
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94102

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San Francisco, CA 94132

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San Francisco, CA 94102 4978

University of California
Institute of Government Studies
109 Moses Hall
University of California
Berkeley, CA 94720

GROUPS AND INDIVIDUALS

Michael Yarne
Martin Building Company
54 Mint Street
Fifth Floor
San Francisco, CA 94103

Sue Hestor
Attorney at Law
870 Market Street, Room 1128
San Francisco, CA 94102

Mrs. G. Bland Platt
362 Ewing Terrace
San Francisco, CA 94118

San Francisco Architectural Heritage
Attn: Executive Director
2007 Franklin Street
San Francisco, CA 94109

Mark Luellen
Preservation Coordinator
San Francisco Planning Department
1660 Mission Street, Fifth Floor
San Francisco, CA 94103

Janet Carpinelli
Lower Potrero Hill Neighborhood Association
934 Minnesota Street
San Francisco, CA 94107

Susan Eslick
Dogpatch Neighborhood Association
P.O. Box 78245
San Francisco, CA 94107

President
Potrero Boosters Association
1459-18th Street, Suite 133
San Francisco, CA 94107

B. DRAFT EIR NOTIFICATION DISTRIBUTION LIST

FEDERAL AND STATE AGENCIES

U.S. Fish and Wildlife Service
2800 Cottage Way, Room W-2605
Sacramento, CA 95825-1846

Mr. Alan Zahradnik
Director of Planning and Policy Analysis
Golden Gate Bridge, Highway and
Transportation District
1011 Andersen Drive
San Rafael, CA 94901

REGIONAL AGENCIES

Bureau of Energy Conservation
Hetch Hetchy Water & Power
Attn: John Deakin, Director
1155 Market Street, 4th Floor
San Francisco, CA 94103

Dennis Baker, Chief of Operations
City of Daly City
Wastewater Treatment Plant
153 Lake Merced Blvd.
Daly City, CA 94015

Association of Bay Area Governments
Attn: Suzan Ryder
P.O. Box 2050
Oakland, CA 94604-2050

CITY AND COUNTY OF SAN FRANCISCO

San Francisco Municipal Railway (MUNI)
Attn: Steve Nickerson, Principal
Administrative Analyst
875 Stevenson Street, Room 260
San Francisco, CA 94103

Native American Heritage Commission
915 Capitol Mall, Room 364
Sacramento, CA 95814

Department of Building Inspection
Attn: Isam Hasenin - Director
1660 Mission Street
San Francisco, CA 94103

Northwest Information Center
Attn: Leigh Jordan, Coordinator
Sonoma State University
1303 Maurice Avenue
Rohnert Park, CA 94928

Mayor's Office of Community Development
Attn: Fred Blackwell, Director
1 South Van Ness, 5th Floor
San Francisco, CA 94103

Regional Water Quality Control Board
Attn: Judy Huang
San Francisco Bay Region
1515 Clay St., Suite 1400
Oakland, CA 94612

Jesse Blout
Mayor's Office of Economic Development
City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Metropolitan Transportation Commission
Attn: Craig Goldblatt
101 8th Street
Oakland, CA 94607

Public Utilities Commission
Attn: Susan Leal, Director
1155 Market Street
San Francisco, CA 94102

Police Department
Planning Division Hall of Justice
Attn: Capt. Albert Pardini
850 Bryant Street, Room 500
San Francisco, CA 94103
Department of Public Health
Director, Occupat. & Environ. Health
1390 Market Street, Suite 822
San Francisco, CA 94102

Svetlana Karasyova
Park Planner
SF Recreation and Park Department
McLaren Lodge
501 Stanyan Street
San Francisco, CA 94117-1898

San Francisco Department of Public Works
Bureau of Street Use and Mapping
Attn: Barbara Moy
875 Stevenson Street, Room 465
San Francisco, CA 94103

MTA
Traffic Engineering Division
Attn: Bond M. Yee
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94103

San Francisco Fire Department
Attn: Barbara Schultheis, Fire Marshall
698 Second Street, Room 109
San Francisco, CA 94107-2015

Bill Mitchell, Captain
Bureau of Fire Prevention & Investigation
1660 Mission Street, 2nd Floor
San Francisco, CA 94103

MTA
Service Planning Division
Attn: Peter Straus
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94103

San Francisco Real Estate Department
Attn: Steve Legnitto, Director of Property
25 Van Ness Avenue, 4th floor
San Francisco, CA 94102

Lucinda Woodward
State Office of Historic Preservation
Local Gov. and Info. Management Unit
P.O. Box 942896
Sacramento, CA 94296-0001

Department of Building Inspection
Attn: Laurence Kornfield
1660 Mission Street
San Francisco, CA 94103

GROUPS AND INDIVIDUALS

Gerald Adams
1661 Pine Street, Apt. 1028
San Francisco, CA 94109

AIA
San Francisco Chapter
Attn: Bob Jacobvitz
130 Sutter Street
San Francisco, CA 94104

Chi-Hsin Shao
CHS Consulting Group
130 Sutter Street, Suite 468
San Francisco, CA 94104

Gibson, Dunn & Crutcher
Attn: Mary Murphy
One Montgomery St.
San Francisco, CA 94104-4505

Richard Mayer
NRG Energy Center
410 Jessie Street, Suite 702
San Francisco, CA 94103

John Bardis
Sunset Action Committee
1501 Lincoln Way, #503
San Francisco, CA 94122

Bruce White
3207 Shelter Cove Avenue
Davis, CA 95616

Alice Suet Yee Barkley
Of Counsel
Luce Forward, Attorneys at Law
121 Spear Street Suite 200
San Francisco, CA 94105

Bay Area Council
200 Pine Street, Suite 300
San Francisco, CA 94104 2702

Michael Dyett
Dyett & Bhatia
755 Sansome Street, #400
San Francisco, CA 94111

Georgia Brittan
San Franciscans for Reasonable Growth
460 Duncan Street
San Francisco, CA 94131

Morgan, Lewis & Bockius
Attn: Susan R. Diamond
One Market Plaza
San Francisco, Ca 94105

Cahill Contractors, Inc.
Attn: Jay Cahill
425 California Street, Suite 2300
San Francisco, CA 94104

Chicago Title
Attn: Carol Lester
388 Market Street, 13th Floor
San Francisco, CA 94111

Chinatown Resource Center
1525 Grant Avenue
San Francisco, CA 94133

Jeffer Mangels Butler & Marmaro, LLP
David Cincotta
Two Embarcadero Center, 5th Floor
San Francisco, CA 94111

Coalition for San Francisco Neighborhoods
P.O. Box 320098
San Francisco, CA 94132 - 0098

Ruben Santiago
P.O. Box 56631
Hayward, CA 94545

Cushman & Wakefield of California, Inc.
Attn: John Vaughan
1 Maritime Plaza, Suite 900
San Francisco, CA 94111

Yerba Buena Consortium
Attn: John Elberling
182 Howard Street, #519
San Francisco, CA 94105

EIP Associates
353 Sacramento Street, Suite 1000
San Francisco, CA 94111

Environmental Science Associates, Inc.
225 Bush St., Suite 1700
San Francisco, CA 94104-4207

Mary Anne Miller
San Francisco Tomorrow
1239 42nd Avenue
San Francisco, CA 94122

Farella Braun & Martel, LLP
Attn: Steven L. Vettel
Russ Building
235 Montgomery St.
San Francisco, CA 94104

Morrison & Foerster, LLP
Attorneys at Law
425 Market Street
San Francisco, CA 94105-2482

Vincent Marsh
Historic Preservation Consultant
Marsh and Associates
2134 Green Street, No. 3
San Francisco, CA 94123-4761

Gensler and Associates
600 California Street
San Francisco, CA 94103

Goldfarb & Lipman
Attn: Richard A. Judd
1300 Clay Street, 9th Floor
City Center Plaza
Oakland, CA 94612-1455

Greenwood Press, Inc.
Attn: Gerry Katz
P.O. Box 5007
Westport, Conn 06881-5007

Gruen, Gruen & Associates
564 Howard Street
San Francisco, CA 94105

Melvin Washington
Bayview Merchants Association, Inc.
P.O. Box 24505
San Francisco, CA 94124

The Jefferson Company
10 Lombard Street, 3rd Floor
San Francisco, CA 94111-1165

Kaplan/McLaughlin/Diaz
Attn: Jan Vargo
222 Vallejo Street
San Francisco, CA 94111

Larry Mansbach
Mansbach Associates
582 Market Street, Suite 217
San Francisco, CA 94104

Sally Maxwell
Maxwell & Associates
1522 Grand View Drive
Berkeley, CA 94705

Cliff Miller
89 Walnut Avenue
Corte Madera, CA 94925-1028

National Lawyers Guild
Attn: Regina Sneed
558 Capp Street
San Francisco, CA 94110

J.G. Turnbull
Page & Turnbull
724 Pine Street
San Francisco, CA 94109

Patri Merker Architects
Attn: Marie Zeller
400 Second Street, Suite 400
San Francisco, CA 94107

Dennis Purcell
Coblentz, Patch, Duffy and Bass
222 Kearny Street, 7th Floor
San Francisco, CA 94108

Ramsay/Bass Interest
Attn: Peter Bass
3756 Grant Avenue, Suite 301
Oakland, CA 94610

Reuben and Junius, LLP
One Bush Street, Suite 600
San Francisco, CA 94104

Turnstone Consulting
Attn: Barbara W. Sahn
330 Townsend Street, Suite 216
San Francisco, CA 94107

Jason Henderson
Department of Geography of S.F. State
1600 Holloway Ave.
HSS279
San Francisco, CA 94132

David P. Rhoades & Associates
364 Bush Street
San Francisco, CA 94104-2805

San Francisco Beautiful
Attn: Dec Dee Workman, Exec. Director
41 Sutter Street, #709
San Francisco, CA 94104

San Francisco Building & Construction
Trades Council
Attn: Stanley Warren
150 Executive Park Blvd., Suite 4700
San Francisco, CA 94134-3341

San Francisco Chamber of Commerce
235 Montgomery Street, 12th Floor
San Francisco, CA 94104-2902

San Francisco Labor Council
Attn: Walter Johnson
1188 Franklin Street, #203
San Francisco, CA 94109

San Francisco Tomorrow
Attn: Jennifer Cleary, President
P.O. Box 1579
San Francisco, CA 94104

John Sanger, Esq.
1 Embarcadero Center, 12th Floor
San Francisco, CA 94111

San Francisco Planning & Urban Research
Association
Attn: Gabriel Metcalf
312 Sutter Street
San Francisco, CA 94108

San Francisco Group
Sierra Club
85 2nd Street, Floor 2
San Francisco, CA 94105-3441

Sedway Group
505 Montgomery Street, #600
San Francisco, CA 94111-2552

Shartsis Freise & Ginsburg
Attn: Dave Kremer
One Maritime Plaza, 18th Floor
San Francisco, CA 94111

Skidmore, Owings & Merrill, LLP
Attn: John Kriken
444 Market Street, Suite 2400
San Francisco, CA 94111

Solem & Associates
Attn: Jim Ross, Director of Public Affairs and
Political Campaigns
550 Kearny Street
San Francisco, CA 94108

Square One Productions
Attn: Hartmut Gerdes
1736 Stockton Street, Studio 7
San Francisco, CA 94133

Robert S. Tandler
3490 California Street
San Francisco, CA 94118-1837

Jerry Tone
Montgomery Capital Corp.
244 California St.
San Francisco, CA 94111

Joel Ventresca
1278 - 44th Avenue
San Francisco, CA 94122

Jon Twichell Associates
70 Hermosa Avenue
Oakland, CA 94618

Stephen Weicker
899 Pine Street, #1610
San Francisco, CA 94108

Calvin Welch
Council of Community Housing Organizations
409 Clayton Street
San Francisco, CA 94117

Eunice Willette
1323 Gilman Avenue
San Francisco, CA 94124

David C. Levy, Esq.
Morrison & Foerster, LLP
425 Market Street
San Francisco, CA 94105-2482

Paul Kollerer/Tom Balestri
Cahill Construction Services
1599 Custer Avenue
San Francisco, CA 94124-1414

Andrew Tuft
Singer Associates
140 Second Street, 2nd Floor
San Francisco, CA 94105

Diane Wong
UCSF Campus Planning
3333 California Street, Suite 11
San Francisco, CA 94143-0286

Jayni Allsep
EDAW
150 Chestnut Street
San Francisco, CA 94111

Brett Gladstone
Gladstone & Associates
177 Post Street, Penthouse
San Francisco, CA 94108

William Rostov
Communities for a Better Environment
1611 Telegraph Avenue, Suite 450
Oakland, CA 94612

Michael Chan
Housing Director
Asian, Inc.
1670 Pine Street
San Francisco, CA 94109

Gordon Chin
Executive Director
Chinatown Resource Center
1525 Grant Ave. (Tower)
San Francisco, CA 94133

Emily Fancher
San Francisco Examiner
450 Mission Street, 5th Floor
San Francisco, CA 94110

Ted Gullickson
San Francisco Tenants Union
558 Capp Street
San Francisco, CA 94110

Mary Miles
Coalition for Adequate Review
346 Page Street #36
San Francisco, CA 94102

Janan New
San Francisco Apartment Association
265 Ivy Street
San Francisco, CA 94102-4463

Jake S. Ng
San Francisco Neighbors Association
1900 Noriega Street, Ste. 202
San Francisco, CA 94122

Joe O'Donoghue
Residential Builders Association of SF
530 Divisadero Street, Ste. 179
San Francisco, CA 94117-2213

Paul Olson
Hayes Valley Neighborhood
P.O. Box 423978
San Francisco, CA 94142-3178

Bok Pon
American Chinese Association
435 – 14th Avenue
San Francisco, CA 94134-3341

San Francisco Building & Construction
Trades Council
Attn: Michael Theriault
150 Executive Park Blvd., Suite 4700
San Francisco, CA 94134 3341

Chuck Turner
Community Design Center
1705 Ocean Avenue
San Francisco, CA 94112

SOMCAN
965 Mission Street
San Francisco, CA 94103

Dan Billings
Parkview Heights Association PUD
3 Fontinella Terrace
San Francisco, CA 94107

Babette Drefke
Potrero Beautification Group
701 Kansas Street
San Francisco, CA 94107

Dave Flores
California Energy Commission
1516 9th Street, Room MS40
Sacramento, CA 95814

Edward Hatter
Potrero Hill Neighborhood House
953 DeHaro Street
San Francisco, CA 94107

Richard Tindall
Potrero Annex/Terrace Association
1095 Connecticut Street
San Francisco, CA 94107

Lower Potrero Hill Property Owners and
Renters
1116 Tennessee Street
San Francisco, CA 94107

Josh Nasvik
Zephyr Real Estate
525 Bryant Street
San Francisco, CA 94107

California Heritage Council
P.O. Box 475046
San Francisco, CA 94147

The Art Deco Society of California
100 Bush Street, Suite 511
San Francisco, CA 94104

Shirley Albright
Landmarks Council of California
306 Arguello Blvd., Apt. 101
San Francisco, CA 94118

Katalin Koda
P.O. Box 14034
San Francisco, CA 94114-0034

Tim Kelley
2912 Diamond Street, #330
San Francisco, CA 94115

Joseph B. Pecora
882 Grove Street
San Francisco, CA 94117

Victorian Alliance CA Heritage
Winchell T. Hayward
208 Willard North
San Francisco, CA 94118

Linda Mjellem
Union Square Association
323 Geary St., Suite 408
San Francisco, CA 94102

Fort Point and Presidio Historical Association
P.O. Box 29163
San Francisco, CA 94129

Patrick McGrew
McGrew Architects
674 South Grenfall Road
Palm Springs, CA 92264

F. Joseph Butler Architect
1048 Union St., #19
San Francisco, CA 94133

Steward Morton
468 Filbert Street
San Francisco, CA 94133-3024

Toby Levine
1366 Guerrero Street
San Francisco, CA 94110

Western Neighborhoods Project
P.O. Box 460936
San Francisco, CA 94146-0936

Dorice Murphy
Eureka Valley Trails & Art Network
175 Yukon Street
San Francisco, CA 94114

Nancy Shanahan
Telegraph Hill Dwellers
224 Filbert Street
San Francisco, CA 94133

Courtney Clarkson
Pacific Heights Residents Association
3109 Sacramento Street
San Francisco, CA 94115

Carey & Co.
460 Bush Street
San Francisco, CA 94108

Debra Stein
GCA Strategies
655 Montgomery Street
Suite 1700
San Francisco, CA 94111

Dan Cohen
EDAW
150 Chestnut Street
San Francisco, CA 94111

The Luric Company
Arnie Hollander
555 California Street, Ste. 1500
San Francisco, CA 94104

Suheil Shatara
522 Second Street
San Francisco, CA 94107

MEDIA

Associated Press
Attn: Bill Shiffman
303 2nd Street, #680 North
San Francisco, CA 94107-1366

San Francisco Bay Guardian
Attn: Gabe Roth, City Editor
135 Mississippi Street
San Francisco, CA 94107-2536

San Francisco Business Times
275 Battery Street, Suite 940
San Francisco, CA 94111

Patrick Hoge
City Hall Bureau
San Francisco Chronicle
901 Mission Street
San Francisco, CA 94103

San Francisco Chronicle
Attn: John King
901 Mission Street
San Francisco, CA 94103

The Sun Reporter
1791 Bancroft Avenue
San Francisco, CA 94124-2644

San Francisco Examiner
Attn: Melanie Carroll
450 Mission St., 5th Fl.
San Francisco, CA 94105

NEARBY PROPERTY OWNERS AND OCCUPANTS

NOTE: In addition to those identified above, owners of properties within 300 feet of the project site and tenants of properties adjacent to the project site, are on the distribution list.. The complete list is available for review by appointment as part of Project File No. 2002.1302E at the San Francisco Planning Department, 1660 Mission Street, Fifth Floor, San Francisco, California 94103. After April 23, the address will be 1650 Mission Street, Ste. 400, San Francisco CA 94103

VIII. EIR AUTHORS AND CONSULTANTS

EIR AUTHORS

Planning Department, City and County of San Francisco
Major Environmental Analysis
1660 Mission Street, Suite 500
San Francisco, CA 94103

EIR Coordinator: Tammy Chan

Transportation Planner: Bill Wycko

Preservation Coordinator: Mark Luellen

EIR CONSULTANTS

During Associates

120 Montgomery Street, Suite 2290
San Francisco, CA 94104

Stu During, Project Manager

Scott Edmondson

Morgan Gillespie

Clement Designs (Graphics Design)

358 Third Avenue, Suite 100
San Francisco, CA 94118

Kathy Clement

LCW Consulting (Transportation)

3990 20th Street
San Francisco, CA 94114

Luba Wyznyckyj

PROJECT SPONSOR

Martin Building Company

c/o Michael R. Yarne, Esq.
54 Mint Street, Fifth Floor
San Francisco, CA 94103

PROJECT ARCHITECT

Ian Birchall + Associates

300 Beale Street, Suite A
San Francisco, CA 94105

IX. APPENDICES

Appendix A: Initial Study

Appendix A

Initial Study



PLANNING DEPARTMENT

City and County of San Francisco • 1660 Mission Street, Suite 500 • San Francisco, California • 94103-2414

MAIN NUMBER
(415) 558-6378

DIRECTOR'S OFFICE
PHONE: 558-6411

4TH FLOOR
FAX: 558-6426

ZONING ADMINISTRATOR
PHONE: 558-6350

5TH FLOOR
FAX: 558-6409

PLANNING INFORMATION
PHONE: 558-6377

MAJOR ENVIRONMENTAL
FAX: 558-5991

COMMISSION CALENDAR
INFO: 558-6422

INTERNET WEB SITE
WWW.SFGOV.ORG/PLANNING

NOTICE OF PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT

Date of this Notice: July 22, 2006

Lead Agency: San Francisco Planning Department
1660 Mission Street
San Francisco, California 94103-2414

Agency Contact Person: Tammy Chan

Telephone: (415) 558-5982

Project Title: 2002.1302E: 2225-2255 Third Street Housing Project

Project Contact Person: Michael Yarne, Esq.

Project Sponsor: Martin Building Company (MBC)

Telephone: (415) 348-4605

Project Address: 2225-2255 Third Street, between Nineteenth and Twentieth Streets

Assessor's Block(s) and Lot(s): Block 4058, Lot 10

City and County: San Francisco

Project Description: The proposed project would preserve and renovate two existing historic buildings and construct three new buildings above a new below-grade parking podium. In total, these buildings would contain approximately 242,185 square feet of floor area, including approximately 179 residential units, 5,262 square feet of restaurant uses, 11,434 square feet of retail space fronting Third Street, 2,393 square feet of day-care services, a below-grade parking garage accessed from Illinois Street with approximately 157 parking spaces, 50 bicycle spaces, and two off-street loading spaces. The two new structures facing Third Street would be 35 feet (three stories) tall and beyond a 20-foot setback from the property line would be 50 feet (five stories) in height. The new building fronting on Illinois Street would be 65 feet tall (six stories) in height.

The 50,000-square-foot project site is located in the middle of the block bounded by Third Street, Illinois Street, Nineteenth Street, and Twentieth Street in an M-2 (Heavy Industrial) zoning district and a 50-X height & bulk district. The proposed project would require a *General Plan* amendment and a rezoning of the project site to create a temporary "Central Waterfront Plan Demonstration District." This District would enact all of the controls proposed for the project site in the January 2003 *Draft Central Waterfront Plan*, including a Mixed-Use Residential District and a 65-foot height designation. The proposed project would also require a conditional use authorization for a Planned Unit Development pursuant to Section 304 of the *San Francisco Planning Code*.

THIS PROJECT MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT AND AN ENVIRONMENTAL IMPACT REPORT IS REQUIRED. This determination is based upon the criteria of the State *CEQA Guidelines*, Section 15063 (Initial Study), 15064 (Determining Significant Effect), and 15065 (Mandatory Findings of Significance), and the following reasons, as documented in the Environmental Evaluation (Initial Study) for the project, which is attached.

Written comments on the scope of the EIR will be accepted until the close of business on August 21, 2006. Written comments should be sent to Paul E. Maltzer, Environmental Review Officer, San Francisco Planning Department, 1660 Mission Street, Suite 500, San Francisco, CA 94103.

State Agencies. We need to know the views of your agency as to the scope and content of the environmental information that is germane to your agency's statutory responsibilities in connection with the proposed project. Your agency may need to use the EIR when considering a permit or other approval for this project. Please include the name of a contact person in your agency. Thank you.

July 22, 2006
Date

Paul E. Maltzer, Environmental Review Officer

INITIAL STUDY

2002.1302E 2225-55 Third Street Housing Project

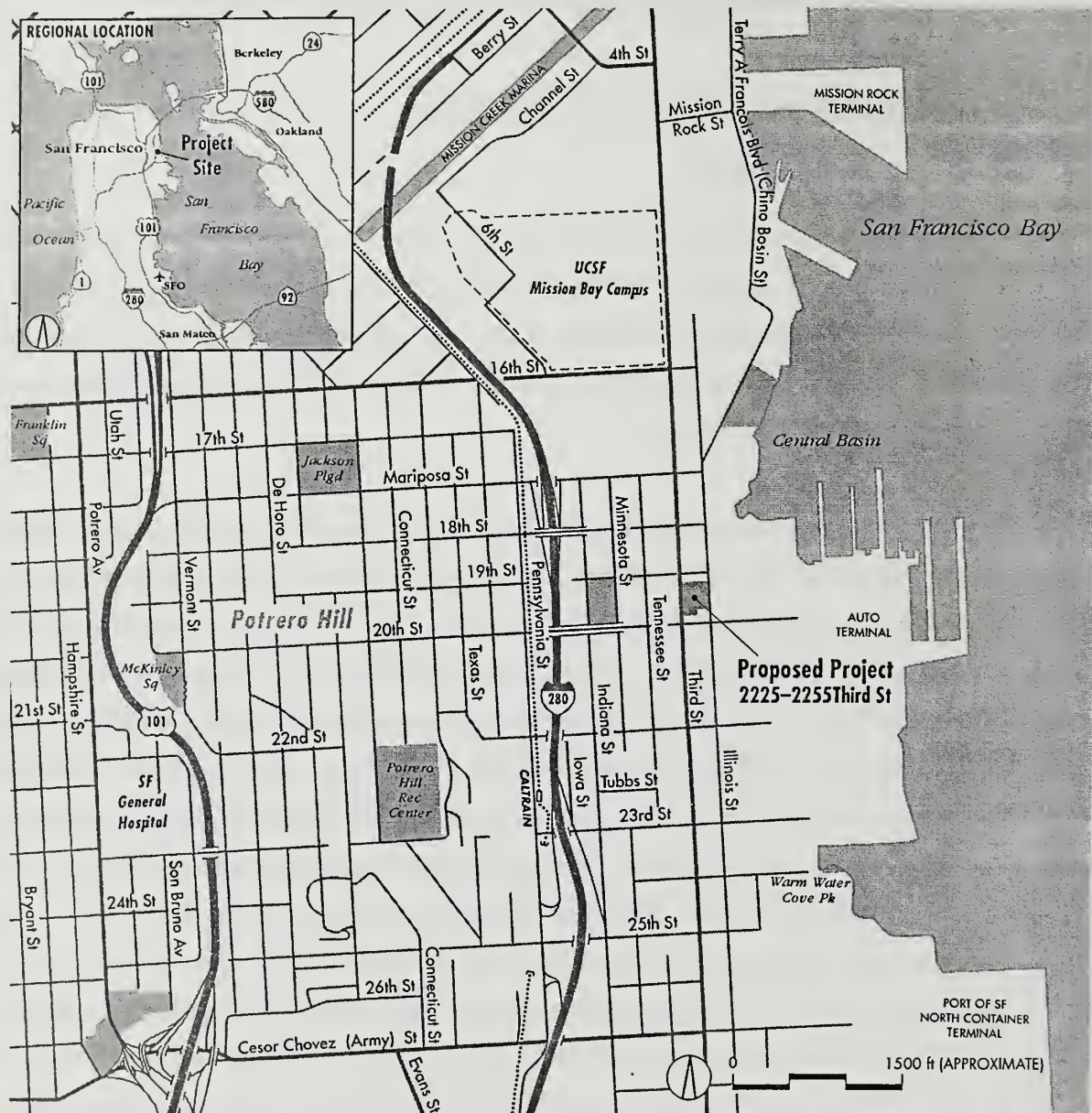
I. PROJECT DESCRIPTION AND SETTING

A. PROJECT DESCRIPTION

The project site is located in the Central Waterfront area of San Francisco, south of Mission Bay, east of Potrero Hill, and north of Islais Creek and the Bayview neighborhood (see Figure 1, page 2). The site is located mid-block on Assessor's Block 4058, Lot 10, the block bounded by Illinois Street on the east, Third Street on the west, Nineteenth Street on the north, and Twentieth Street on the south (see Figures 2 and 3, pages 3 and 4).

The 50,000-square-foot, mid-block project site consists of two existing historic buildings surrounded by vacant, undeveloped land. The first historic building located at 2225 Third Street is a vacant 34-foot-tall, three-story-above-basement masonry and heavy timber former warehouse that last contained approximately 14,400 square feet of commercial office use. The other historic building located at 2255 Third Street is an 18-foot-tall, one-story-above-basement masonry and heavy timber structure that last contained 8,500 square feet of commercial office use. These two historic buildings are described in greater detail in Section 13 of this Initial Study, which assesses the project's impacts on these historical resources. The remainder of the project site is approximately 39,000 square feet, and was used as a metal scrap yard since the 1920s but has been vacant since 1999. This undeveloped portion includes the entire eastern half of the property fronting Illinois Street. A sub-grade railroad spur was located on the property but was removed in 2002. The topography generally rises from San Francisco Bay on the east to Potrero Hill on the west. The entire property has been vacant since 1999 except for the building located at 2255 Third Street, which has been donated to a variety of non-profit uses on a temporary basis pending construction of the project.

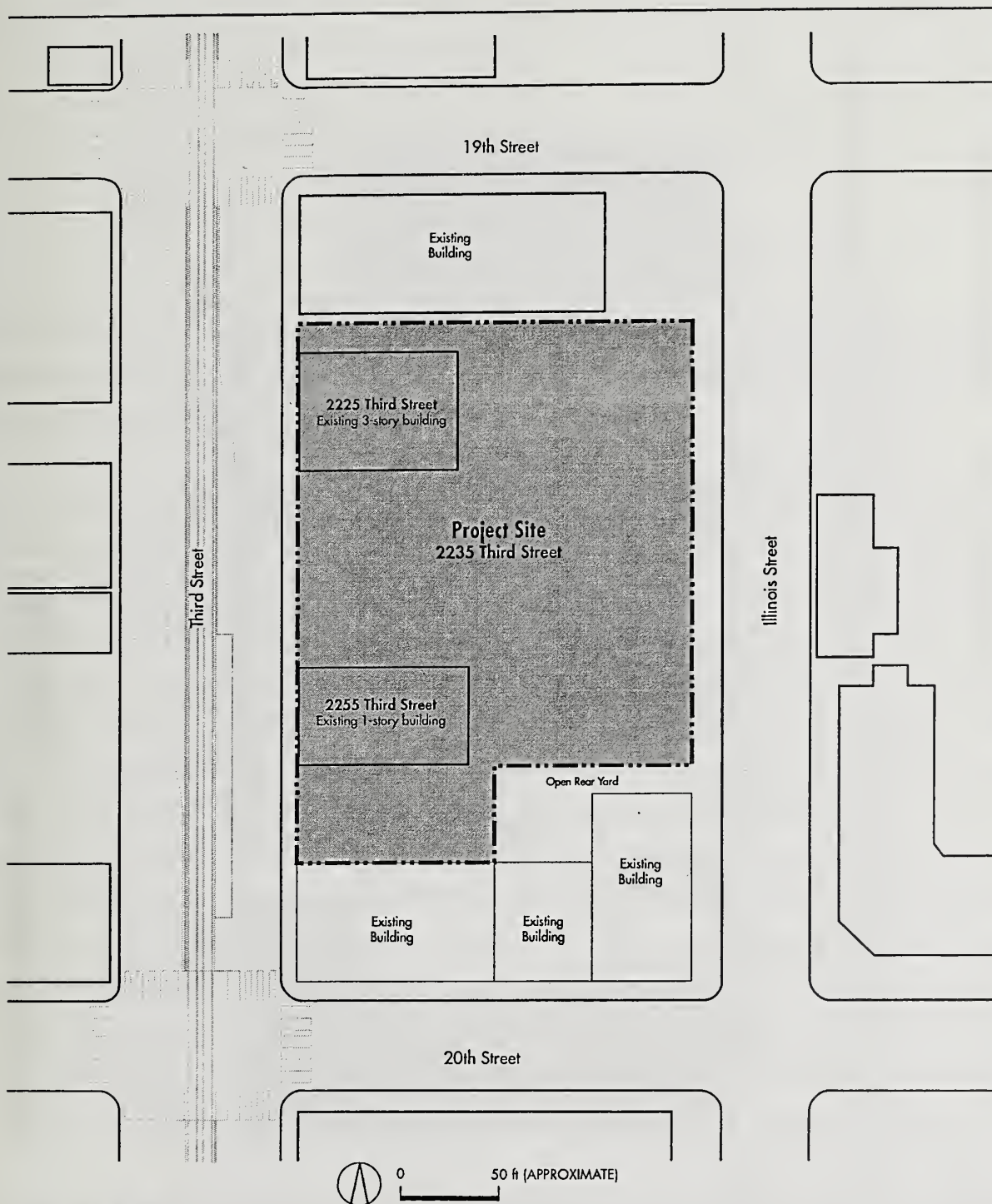
The proposed project would require a *General Plan* amendment and rezoning of the project site from its current M-2 (Heavy Industrial) zoning to create a temporary "Draft Central Waterfront Plan Demonstration District" that would enact all of the controls proposed for the project site in the January 2003 *Draft Central Waterfront Plan's (DCWP)*, including a Mixed-Use Residential District (MURD) and a 65-foot height designation.



Source: During Associates

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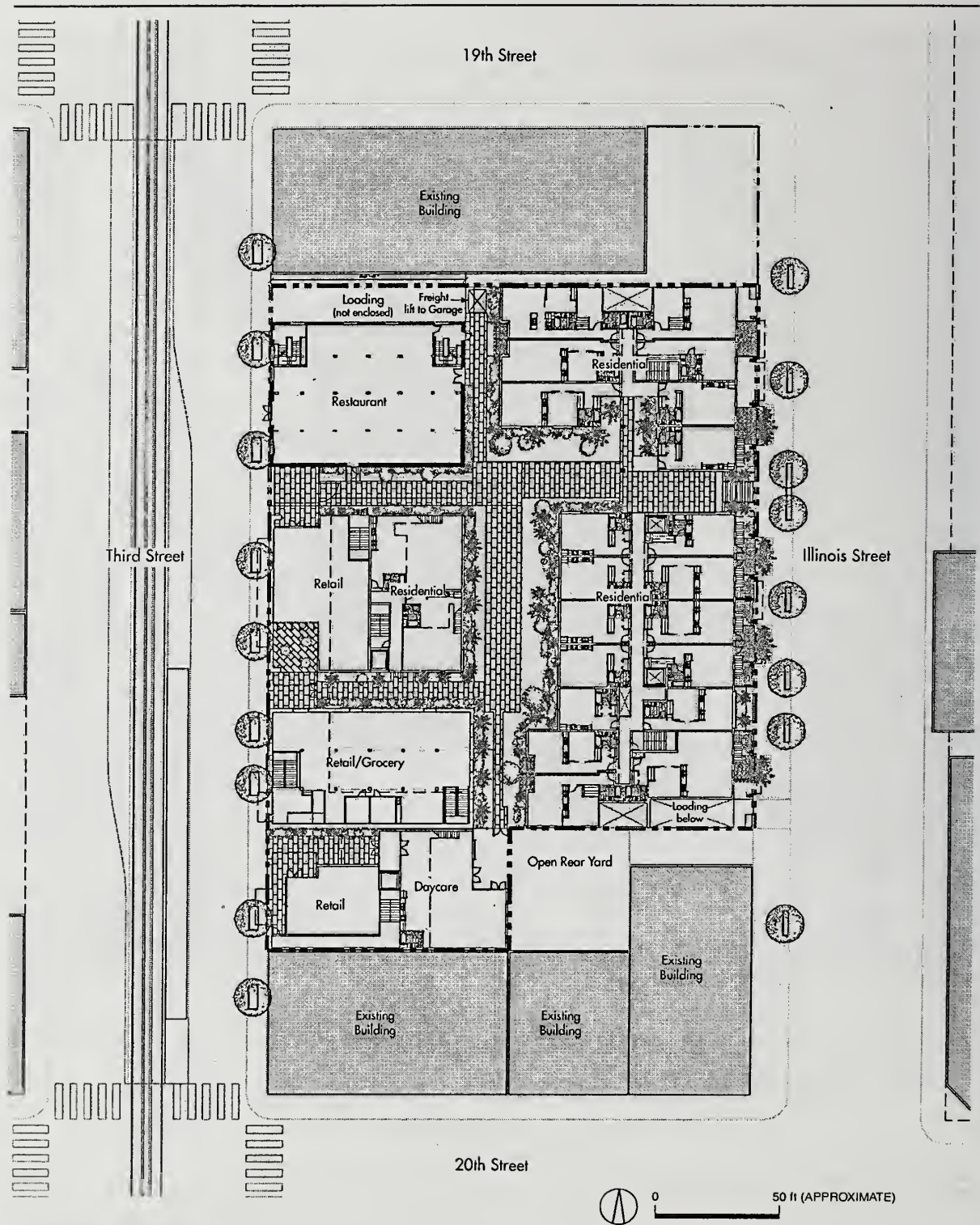
Proposed Project Location Figure 1



Source: During Associates

5-26-06

Project Site Map Figure 2



Source: Ian Birchall & Associates

6-29-06

Proposed Site Plan Figure 3

More specifically, the proposed Demonstration District, consistent with the MURD proposed in the *DCWP*, would do the following solely on the project site:

- Eliminate dwelling unit density restrictions;
- Designate residential as a principally permitted use;
- Limit retail and office uses to the first and second stories;
- Eliminate minimum parking ratios; and
- Require that parking be "unbundled" from the rental or sale of residential units.

The proposed *DCWP* Demonstration District would expire when the new zoning controls associated with the final *Central Waterfront Plan* are adopted by the Board of Supervisors for the greater Central Waterfront Plan area.

The proposed project would construct a below-grade parking garage that would occupy the undeveloped portions of the site, incorporate the existing basements of the two historic buildings on the site, and serve as a podium for a new internal courtyard and three new multi-story buildings. Although the project would function as an integrated whole, above the new podium it would appear as five separate buildings. The two existing historic buildings fronting Third Street would be preserved in place (2225 and 2255 Third Street); two new "infill" buildings would be added on Third Street on either side of (and bridging over) the southernmost, single-story historic building (2255 Third Street); and one new approximately 65-foot-tall structure would face Illinois Street. All five buildings would frame an internal mid-block courtyard/open space. The height of the two new infill buildings proposed for Third Street would not exceed 35 feet for the first 20 feet of depth measured at a perpendicular line from the Third Street property line. The height of these two buildings would rise to 50 feet beyond the 20-foot property-line setback described above. Part of the 50-foot-tall, setback portion of the new building located between the historic 2225 Third Street and 2255 Third Street buildings would actually "bridge" over a portion of the roof of the existing one-story historic building at 2255 Third Street.

The proposed project would contain a total of approximately 242,185 square feet of floor area and include approximately 179 residential units; 5,262 square feet of restaurant uses; 11,434 square feet of ground-floor retail space (including basement space) along Third Street; and 2,393 square feet of day-care services (see Figure 3 – Proposed Project Site Plan). The proposed project would also include a partially subterranean garage, below-grade at Third Street and partially below-grade with

access at Illinois Street for approximately 157 parking spaces (36 independently accessed, one off-street car-share space, and 120 stacked), 50 bicycle spaces, and two off-street loading spaces (see Figure 4, page 7). Twelve percent of the total dwelling units, or approximately 21 units, would be designated as Below Market Rate (BMR) units pursuant to the City's Inclusionary Affordable Housing Program.

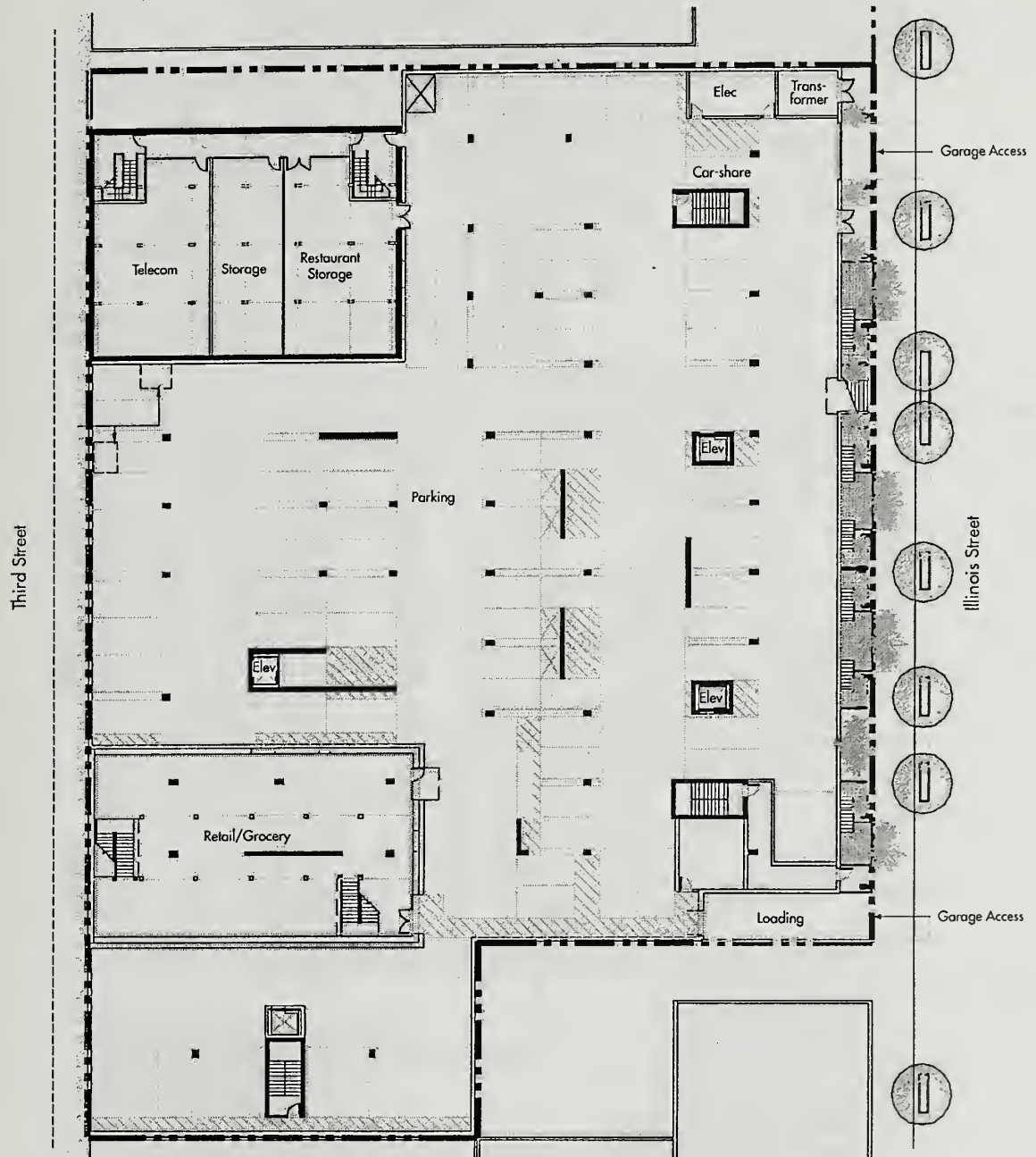
Pedestrians would enter the proposed project from three recessed plazas located off Third Street and one pedestrian stairway from Illinois Street. The proposal includes approximately 8,884 square feet of common usable open space in the form of a large internal landscaped courtyard, roof-top open space, and three new publicly accessible "pocket plazas" along the Third Street frontage. The proposed project would also include approximately 4,800 square feet of private usable open space in the form of 83 individual terraces and balconies (see Figures 5 through 10, pages 8 through 13).

Of the 179 units proposed, the approximate break-down of unit types would be as follows:

<u>Studios</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Total Units</u>
63	81	30	5	179
35%	45%	17%	3%	100%

The proposed project would include the following five elements (see Figures 11 and 12, pages 14 and 15, for proposed project elevations and sections):

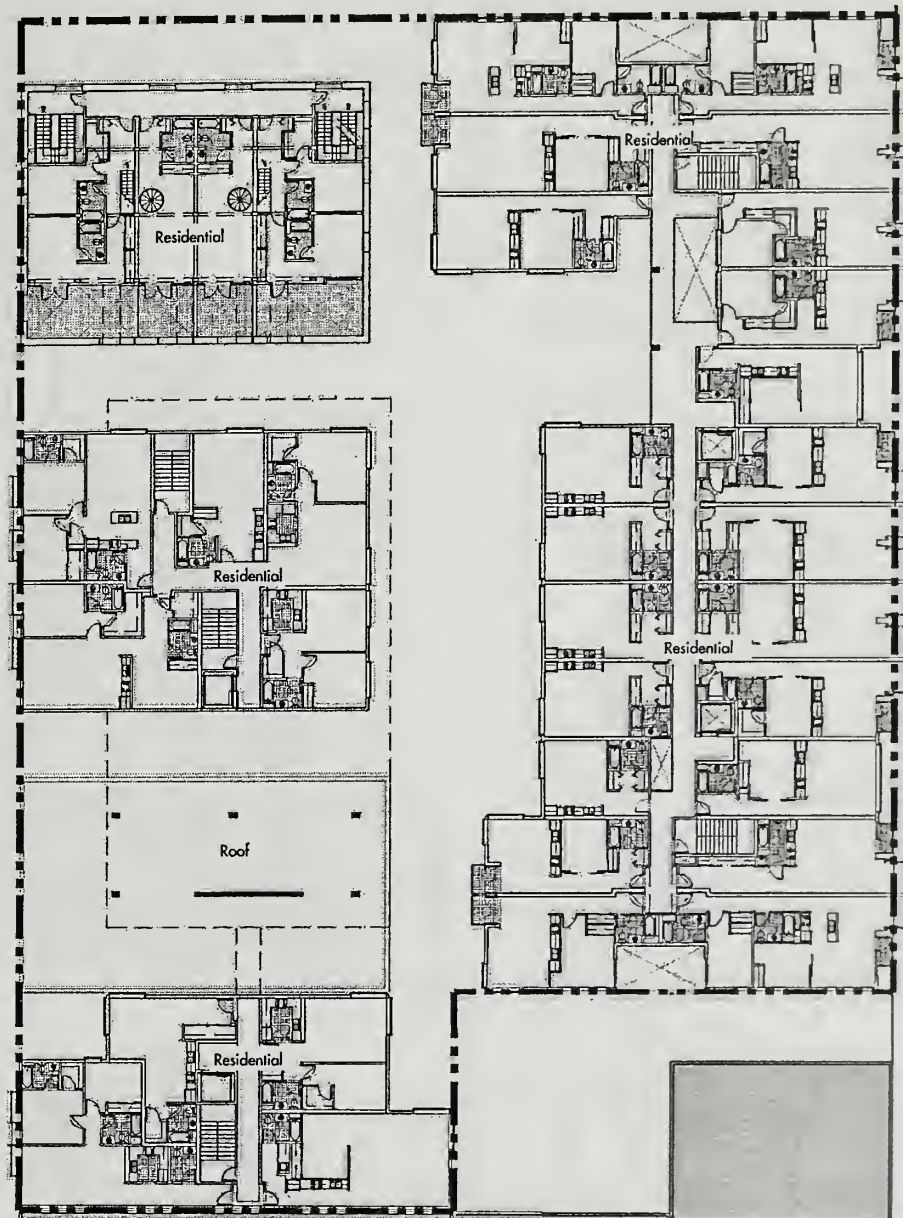
1. 2225 Third Street. Preservation and renovation of the existing, 14,400-square-foot, historic, three-story-above-basement building into a mixed-use building. The upper two floors would be converted into four two-level residential units, the ground-floor level and a portion of the basement would be converted to approximately 5,262 square feet of restaurant use, and the remainder of the basement would be converted to approximately 1,718 square feet of building mechanical space. This structure would remain free-standing.
2. 2255 Third Street. Preservation and renovation of the existing 8,500-square-foot historic one-story-above-basement building into grocery/retail use (4,250 square feet on the first floor and 4,250 square feet in the basement). This structure would remain freestanding except for a small portion of its southern façade.



Source: Ian Birchall & Associates
6-29-06

Proposed Garage Floor Plan Figure 4

Third Street



Illinois Street



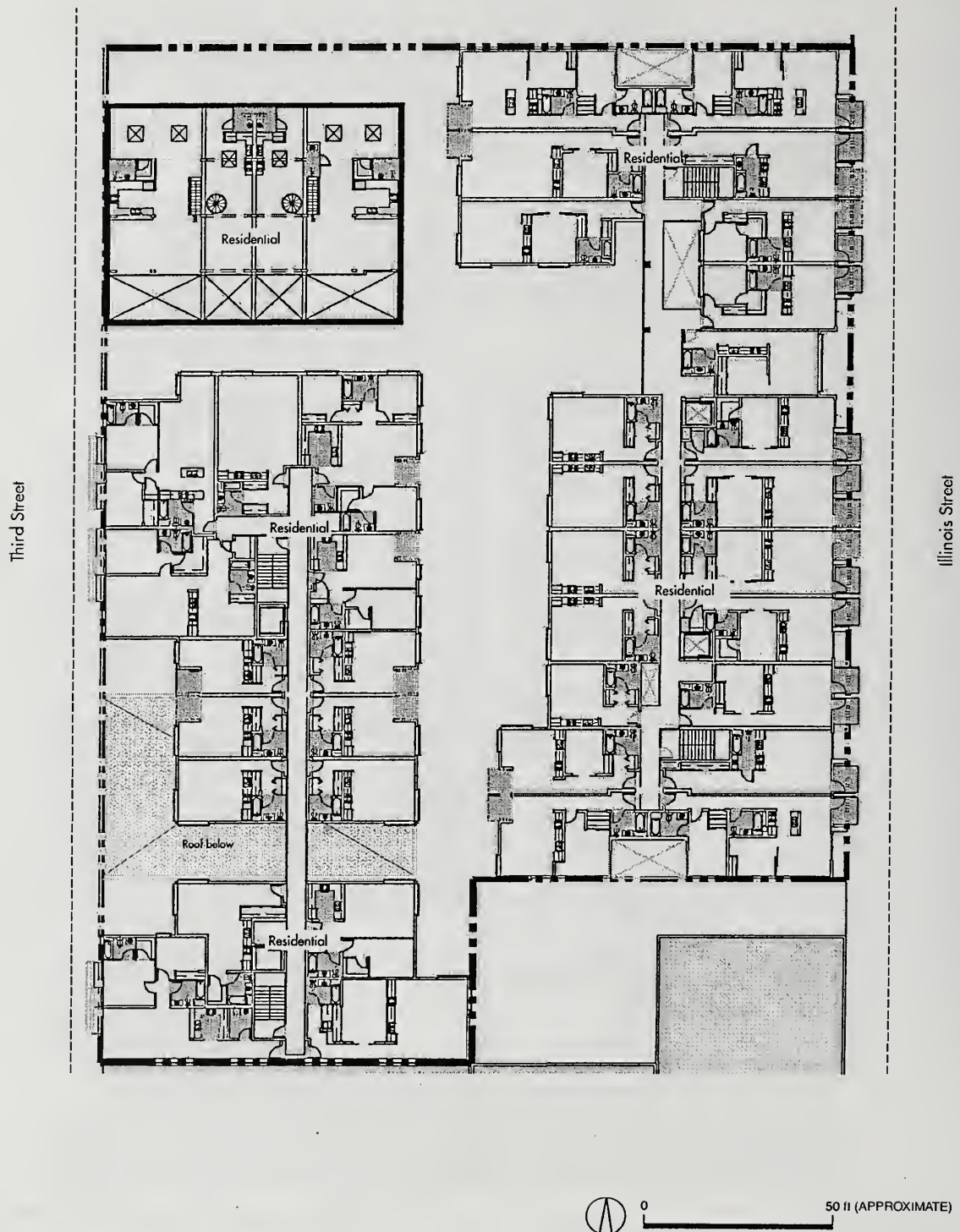
0

50 ft (APPROXIMATE)

Source: Ian Birchall & Associates

6/29/06

Proposed Second Floor Plan Figure 6

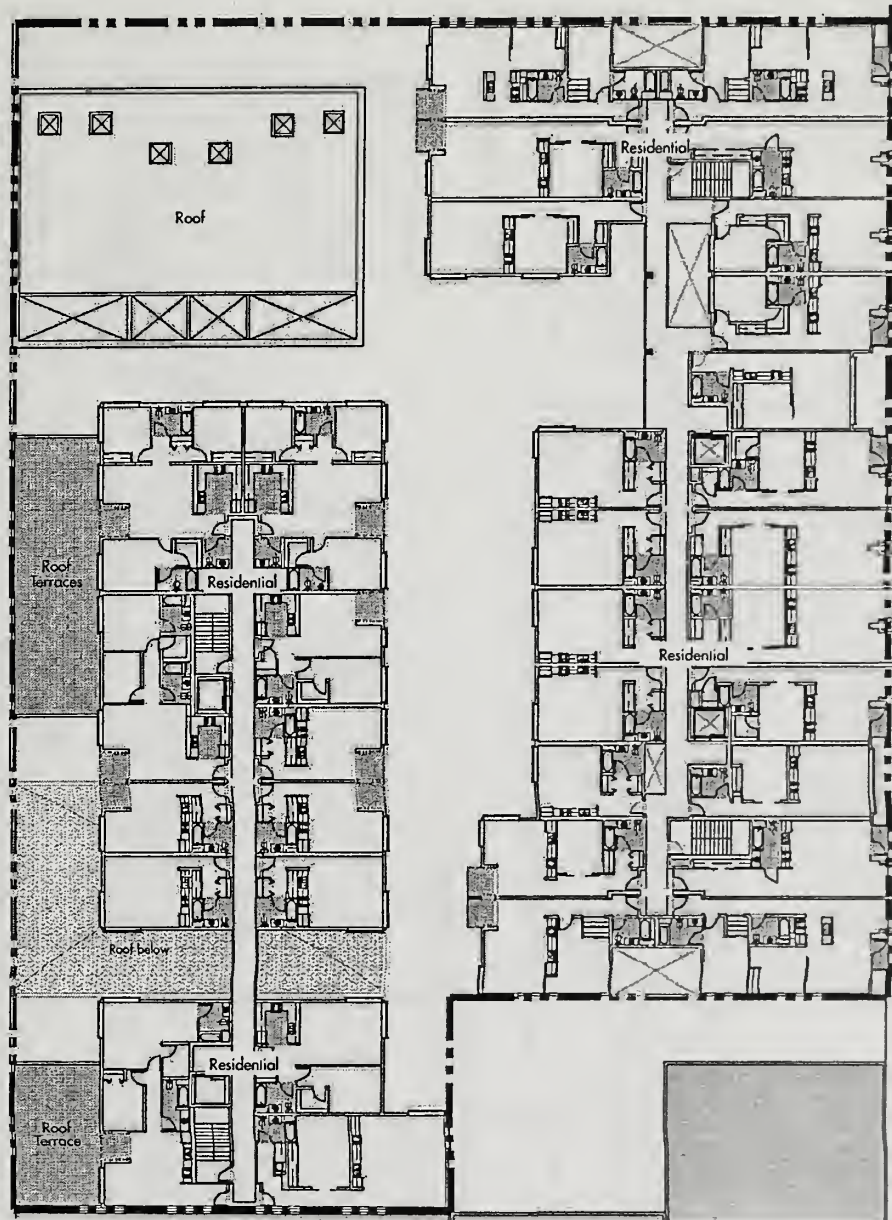


Source: Ian Birchall & Associates

6/29/06

Proposed Third Floor Plan Figure 7

Third Street



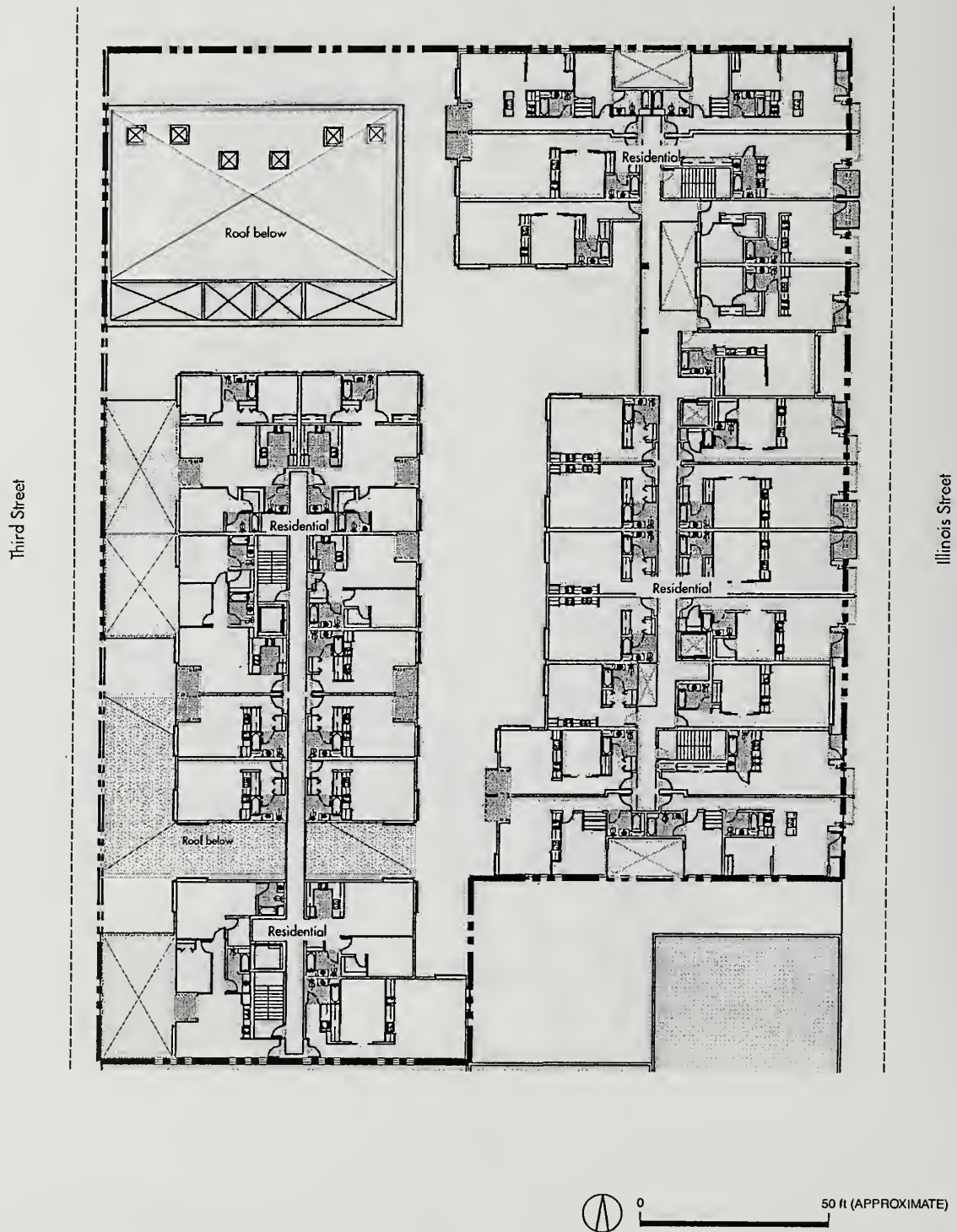
Illinois Street



Source: Ian Birchall & Associates

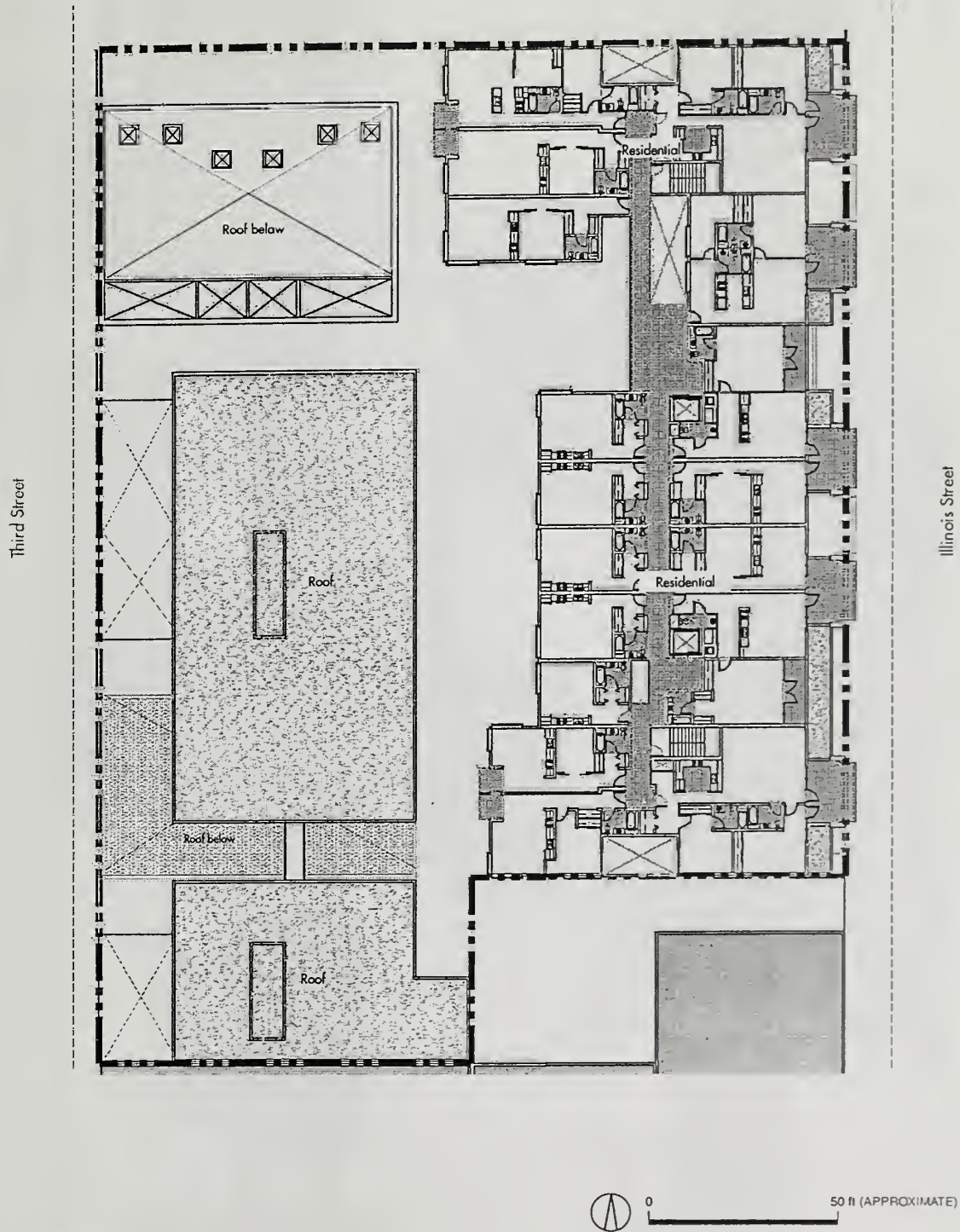
6-29-06

Proposed Fourth Floor Plan Figure 8



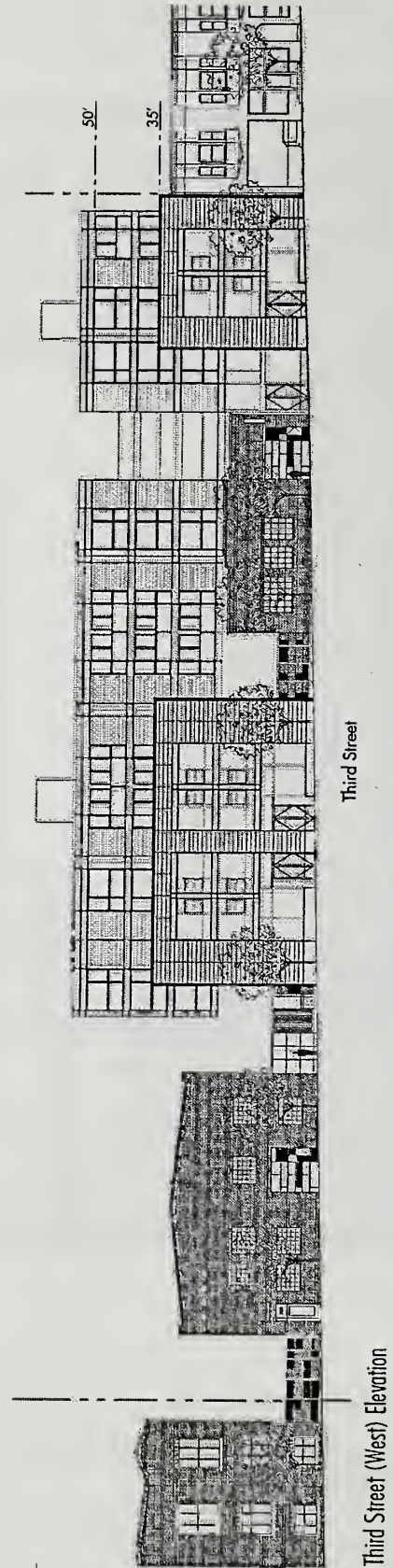
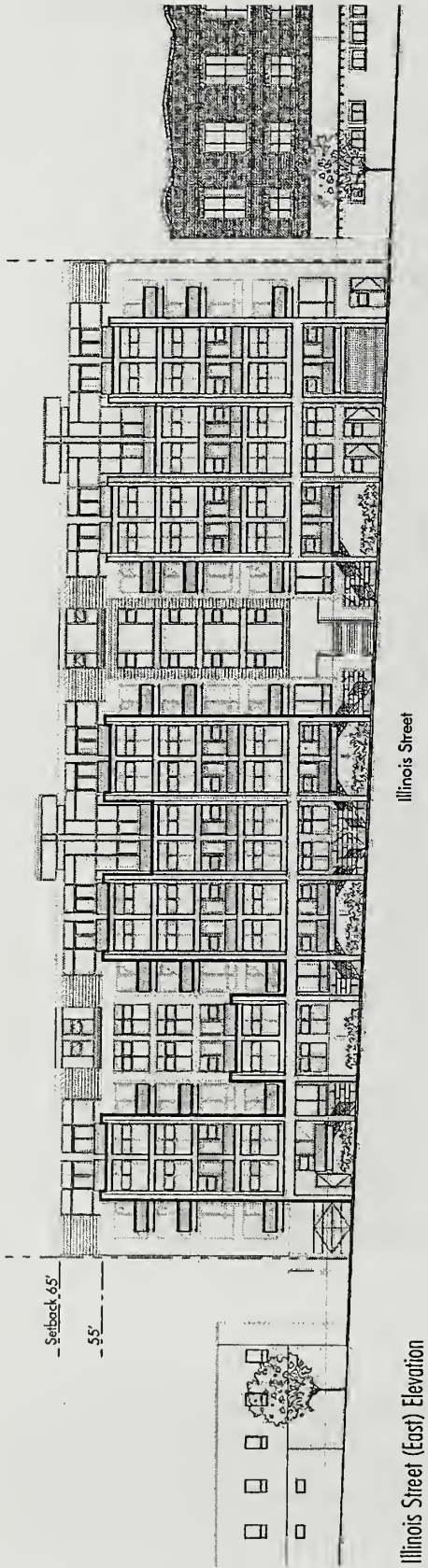
Source: Ian Birchall & Associates
6-29-06

Proposed Fifth Floor Plan Figure 9



Source: Ian Birchall & Associates
6-29-06

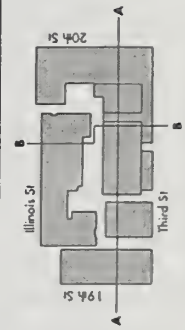
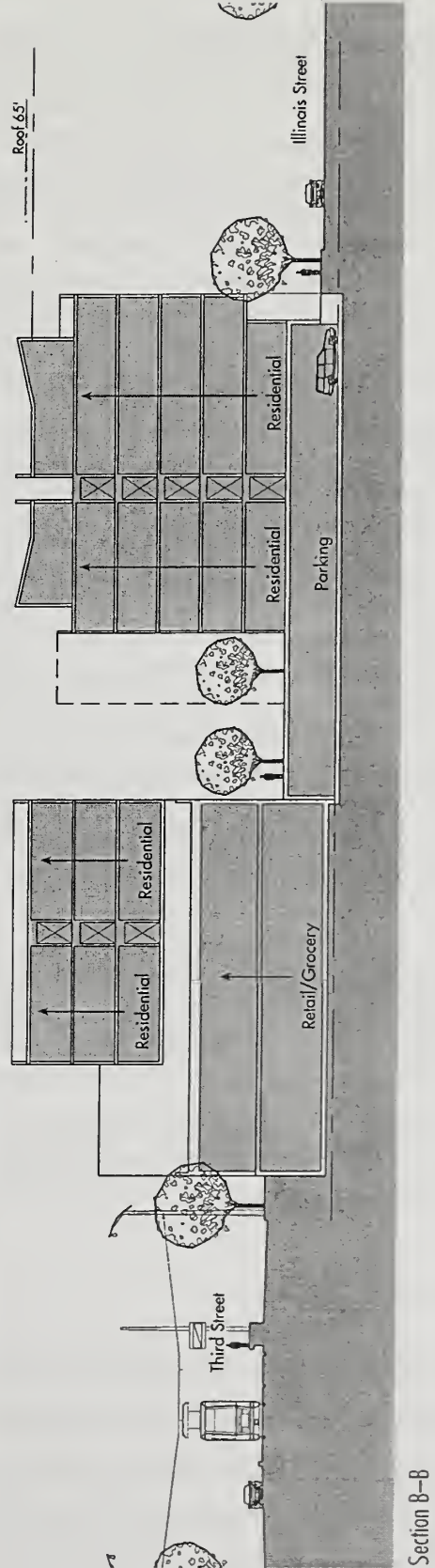
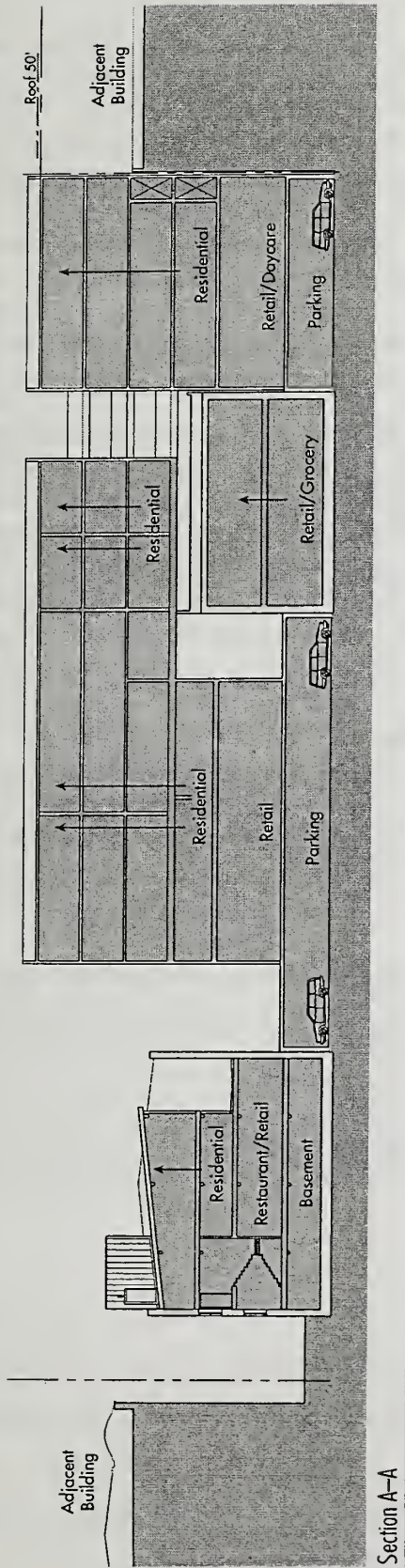
Proposed Sixth Floor Plan Figure 10



0 50 ft (APPROXIMATE)

Source: Ian Birchall & Associates
5-26-06

Proposed Project Elevations Figure 11



Source: Ian Birchall & Associates
6/29/06

Proposed Project Sections Figure 12

3. *New Underground Parking Garage & Podium.* Construction of a single-level parking podium/garage accessible from Illinois Street (containing room for approximately 157 cars in a mix of automated stackers and independently accessible spaces, including one space reserved for car-sharing, and 50 bicycle spaces) that would be entirely below-grade at the Third Street frontage and partially below-grade on Illinois Street. With the exception of entrances for the garage and loading bay, the majority of the Illinois Street elevation would be lined with approximately six residential stoops for units located on the podium level above (there is an approximately 12 foot drop in grade between Third Street and Illinois Street). The proposed podium would cover the entire site and would create a platform for developing the proposed new structures while preserving the existing basements, masonry exteriors, and freestanding profile of the two historic buildings identified above.
4. *Two New Third Street Buildings.* Construction of two new structures on either side of the existing one-story 2255 Third Street building. The front portion of these buildings would not exceed three stories and 35 feet in height. However, beyond a 20-foot setback from the Third Street property line, the rear portion of each new building would rise up to five stories and 50 feet in height. In total, the two new buildings would contain 2,934 square feet of ground-floor retail space and a 2,393-square-foot day-care center located in the southernmost structure and opening onto the inner court open space. A segment of the 50-foot-tall portion of the new structure located between 2225 and 2255 Third Street would extend over the roof of the existing single-story 2255 Third Street building. This segment would be supported by a system of recessed concrete columns penetrating the roof of 2255 Third Street that would preserve approximately four feet of air space between the new structure and the roof of 2255 Third Street below. The intent of the design is to create a visual "bridge" between the two new buildings while preserving the one-story, free-standing profile of the 2255 Third Street building described in element 2 above. The two new buildings would contain approximately 52 residential units.
5. *New Illinois Street Building.* Construction of a single six-story, 65-foot-high, 123-unit, residential structure above the podium. The top floor would be set back approximately six feet from the Illinois Street property line to create a visual break in massing at about 55 feet in height.

The following sections discuss the design, materials, and massing of the Third Street and the Illinois Street elevations of the proposed project.

Third Street Elevation

The two existing historic buildings located at 2225 and 2255 Third Street would be preserved and renovated. The footprint, building profile, and façades of the existing three-story 2225 Third Street historic building would be preserved intact, except for the addition of new double-doors on the building's eastern (rear) façade. There would be 20-foot-wide alleyways on the north and south sides of the building, the northern alley would serve as an off-street freight loading site for the future

restaurant. The footprint, building profile, and façades of the existing one-story 2255 Third Street historic building would be preserved intact except for coverage of a small portion of the southern façade by adjoining new construction and the penetration of the roof by concrete support columns for the new building located above. Fifteen-foot-wide pedestrian alleyways on the building's northern and southern sides would create a visual separation between the new construction and the original building.

Two new structures would be added on either side of the one-story 2255 Third Street building. The front portion of these new buildings would not exceed three stories and 35 feet in height. However, beyond a 20-foot setback from the Third Street property line, the rear portion of each new building would be five stories and 50 feet in height. A segment of the 50-foot-tall portion of the new structure located between 2225 and 2255 Third Street would extend out over the roof of the single-story 2255 Third Street building. This three-story segment would be supported by a system of recessed concrete columns that would penetrate the roof of 2255 Third Street but preserve approximately four feet of air space between the new structure above and the roof of 2255 Third Street below. The intent of the design is to create a visual "bridge" between the two new buildings while preserving the one-story, free-standing profile of the 2255 Third Street building below. The two new buildings would be connected on floors three through five by interior hallways located above the 2255 Third Street building.

The proposed project would repair and preserve the masonry exterior of the two existing historic buildings. The Third Street property-line façades of the two new structures would be clad in a terracotta rain screen system or similar masonry-like material accentuated with punched openings and semi-projecting industrial-style bay windows. The approximately 50-foot-tall rear portion of the two new buildings would be clad in lighter, transparent materials.

Illinois Street Elevation

The Illinois Street elevation of the proposed project would be 65 feet in height (six stories above the parking garage) and would be designed to reflect the surrounding neighborhood's industrial history with the use of industrial-style sash windows and exposed concrete columns. The podium-level parking and first residential floor would be set back approximately four feet from the property line to

reflect the massing of the loading bay on the American Industrial Center building just south of Twentieth Street. Up to six of the residential units fronting Illinois Street would be designed as two-level units, accessed by a suspended, industrial-style stairway leading from small, gated outdoor spaces located at street-level. Small "pocket gardens" would project approximately three feet into the sidewalk public-right-of-way (which would require an encroachment permit from the Department of Public Works (DPW)). These stoops and gardens are intended to provide a visual buffer between the parking podium and pedestrians along the Illinois Street sidewalk.

Above 55 feet, the top floor of the Illinois Street building would be set back approximately six feet to provide private roof-top terraces and to diminish the perceived effect of height and mass of the new structure viewed from Illinois Street.

The project architect is Ian Birchall + Associates. Project construction would take approximately 12 to 18 months, at an estimated cost of \$16 million.

B. PROJECT SETTING

The project site occupies Assessor's Block 4058, Lot 10, bounded by Nineteenth Street to the north, Illinois Street to the east, Twentieth Street to the south, and Third Street to the west (see Figure 1, page 2). The project site and the area surrounding the project site are located within an M-2 (Heavy-Industrial) zoning district. This district permits a wide range of retail, light or heavy industrial uses, and residential use by conditional use (CU) authorization. The project site is also within a 50-X height and bulk district which encompasses Illinois Street to the east, the I-280 Freeway on the west, Mariposa Street on the north, and Twenty-Fifth Street to the south.

The blocks surrounding the project site share a wide range of building types, heights, and uses typically found in M-2 zoning districts, including single-family residential and live/work uses. The Third Street median will contain the new light rail line scheduled for completion in 2006. The area east of Illinois Street across from the project site consists of a Port of San Francisco shipyard, now defunct, where Nineteenth Street abuts Illinois Street. It contains two large cranes that are considered historic resources. The variety of commercial, mixed residential/commercial, live/work,

and industrial buildings on the adjacent block faces range from one to five stories, approximately 15 to 65 feet in height.

The majority of the space in the three-story red brick building at the southeast corner of Third and Nineteenth Streets (2201 Third Street and 555 Nineteenth Street) is vacant, with the building's rear yard extending to Illinois Street. The building at 888-890 Illinois Street contains residential over a ground floor smoke shop and deli (600-606 Twentieth Street). At 616 Twentieth Street, just west of the corner building, is a one-story building containing a restaurant and a bar. There is a two-story residential/commercial building on the northeast corner of Third and Twentieth Streets (2293-2295 Third Street). This building has residences above and a bar, a coffee shop, and an upholstery shop on the ground floor facing Third Street and a restaurant and a bar on the ground floor facing Twentieth Street.

Across Illinois Street at Twentieth Street is a three-story vacant office building – the former headquarters for the old American Can Company. Directly across Twentieth Street from the project block, at 948 Illinois Street, is an approximately 60-foot-high former warehouse facility that was converted to smaller leased spaces for art, office, and small business uses, and which occupies the full block. The next two blocks across Illinois Street and south of Twentieth Street contain a single-story self-storage facility and the PG&E Potrero Power Plant, both occupying a full block.

The lot across Nineteenth Street from the project block at the northwest corner of Illinois Street is a vacant parcel used for parking. Nineteenth Street dead-ends at Illinois Street where there is a partially vacant industrial storage yard.

On the west side of Third Street across from the project site is a one-story vacant office building (2298 Third Street) and a parking lot, a modern two-story loft/photography studio (2250 Third Street), a one-story tire and brake shop (2230 Third Street), and a two-story building with a boiler and welding business on the corner of Third and Nineteenth Streets (601 Nineteenth Street).

The topography in the area slopes downwards from Potrero Hill on the west to the San Francisco Bay to the east. Third Street is at the bottom of Potrero Hill, although the topography continues to drop approximately 12 feet in elevation across the project site from Third Street to Illinois Street. The project site itself has been excavated, so it is at grade with Illinois Street, and approximately 12

feet below grade at Third Street. A retaining wall along the western boundary of the site is below the Third Street grade.

II. SUMMARY OF POTENTIAL ENVIRONMENTAL EFFECTS

A. EFFECTS FOUND TO BE POTENTIALLY SIGNIFICANT

This Initial Study examines the proposed project's potential environmental effects. On the basis of this study the proposed project's contribution to cumulatively significant land use effects has been determined to be potentially significant and will be analyzed in an EIR. Additional analysis and information of the project's impacts and the cumulative impacts of individual development projects on the City's ability to meet its housing needs as expressed in the *General Plan* will be provided in the project's EIR analysis under cumulative land use impacts. The need to further study the project's contribution to cumulatively significant land use change in the Eastern Neighborhoods Draft EIR study area is based on a February 7, 2006 motion adopted by the Board of Supervisors finding that a mitigated negative declaration for 2660 Harrison Street was inadequate because "there appears to be substantial evidence to support a fair argument that the proposed project [2660 Harrison Street] may have potentially significant environmental effects that were not considered or mitigated.... on [1] the loss of PDR jobs and businesses, [2] on the City's ability to meet its housing needs as expressed in the City's General Plan, and [3] on land use and housing as delineated in the Department's environmental evaluation checklist."

B. EFFECTS FOUND NOT TO BE SIGNIFICANT

The following potential environmental effects were determined either to be less than significant or to be reduced to a less-than-significant level through mitigation measures included in the Initial Study and project. These items are discussed in Section III below, and require no further environmental analysis in the EIR: direct land use impacts (community disruption or division; and change in land use character), visual quality (including glare), transportation, population, noise, air quality, shade and shadow, wind, utilities/public service, biology, geology/topography, water, energy, hazards, and cultural resources. Construction noise impacts would be less than significant with the implementation of Mitigation Measure No. 1, page 75. Air quality construction impacts would be less than significant with the implementation of Mitigation Measure No. 2, pages 75-76. Hazardous materials impacts would be less than significant with the implementation of Mitigation Measures

Nos. 3 and 4, pages 76 to 78. Archeological resource impacts would be less than significant with the implementation of Mitigation Measure No. 5, pages 78 to 80. These impacts will not be discussed further in the EIR.

III. ENVIRONMENTAL EVALUATION CHECKLIST AND DISCUSSION

A. COMPATIBILITY WITH ZONING, PLANS, AND POLICIES

	<u>N/A</u>	<u>Discussed</u>
1. Discuss any variances, special authorizations, changes proposed to the City Planning Code or Zoning Map, if applicable.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Discuss any conflicts with any other adopted environmental plans and goals of the City or Region, if applicable.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The *San Francisco Planning Code (Planning Code)*, which incorporates by reference the City's Zoning Maps, governs permitted uses, densities, and the configuration of buildings within San Francisco. Permits to construct new buildings (or to alter or demolish existing ones) may not be issued unless either the proposed project conforms to the *Planning Code*, or an exception is granted pursuant to provisions of the *Planning Code*.

The project site is located in an M-2 (Heavy-Industrial) zoning district, which permits a wide range of, retail, and light or heavy industrial uses, and residential uses by conditional use authorization. The project site is in a 50-X height and bulk district which permits new structures up to a maximum height of 50 feet with no setbacks, as measured from the curb level at the centerline of both street frontages of the project site.

The project site is also subject to Planning Commission Resolution No. 16202, which established interim policies and procedures for development proposals within the industrially zoned areas of the City. Pursuant to Resolution No. 16202, the project site was designated as a "Mixed-Use Housing Zone" (MUHZ). The Commission would exercise its Discretionary Review authority within these areas to "encourage mixed-use housing development, especially proposals for housing that maximizes the allowable densities and affordability standards." The proposed project would be

consistent with the MUHZ designation with the exception of dwelling unit density restrictions on the project site.

The project site is also located within the proposed Central Waterfront Neighborhood Plan Area. The *Draft Central Waterfront Plan (DCWP)* was released for public review in January 2003.¹ In response to additional community input, Planning Department staff refined the *DCWP* in February 2004 to further increase housing potential in the area. Both the February 2004 updated *DCWP* and the January 2003 *DCWP* designate the project site a Mixed-Use Residential District (MURD).² The MURD would include, among other things, the following land use controls:

- Eliminate dwelling unit density restrictions;
- Designate residential as a principally permitted use;
- Limit retail and office uses to the first and second stories;
- Eliminate minimum parking requirements; and
- Require that parking be "unbundled" from the rental or sale of residential units.

The proposed project requires and includes a rezoning of the project site from its current M-2 (Heavy Industrial) zoning district to create a temporary "*DCWP* Demonstration District". The proposed *DCWP* Demonstration District would enact all of the controls proposed in the January 2003 *DCWP* MURD outlined above, and also increase the existing height & bulk district from 50-X to 65-X.

To prevent future inconsistency with any final plan and zoning for the area, the proposed *DCWP* Demonstration District would "sunset" or expire when the new zoning associated with a final *Central Waterfront Plan* is adopted by the Board of Supervisors for the greater Central Waterfront Plan area. The project sponsor would also propose a companion ordinance to amend the Central Waterfront section of the *General Plan* to ensure that the proposed *DCWP* Demonstration District is consistent with the *General Plan*. Again, the proposed project could be built only if the project sponsor can obtain a final approval by the Board of Supervisors for the *DCWP* Demonstration District and amendments to the Central Waterfront section of the *General Plan*.

¹ San Francisco Planning Department. Draft for Public Review, The Central Waterfront Neighborhood Plan, December 2002. http://www.sfgov.org/site/planning_index.asp?id=25205#plan.

² The San Francisco Planning Department has included the *DCWP* in the scope of the draft Eastern Neighborhoods EIR. The EIR will study the cumulative effects of the zoning proposals in the *DCWP*.

Approval of the proposed project would result in an intensification of use on the project site, the specific impacts of which are discussed below under the relevant topic headings.

Environmental plans and policies, such as the Bay Area Air Quality Plan, are those that directly address physical environmental issues and/or contain targets or standards that must be met in order to preserve or improve characteristics of the City's physical environment. The *San Francisco General Plan*, which provides general policies and objectives to guide land use decisions, contains some policies that relate to physical environmental issues. The compatibility of the proposed project with *General Plan* policies that do not relate to physical environmental issues will be considered by decision-makers as part of their decision whether to approve or disapprove the proposed project and any potential conflicts identified as part of that process would not alter the physical environmental effects of the proposed project.

The Planning Commission and the Board of Supervisors will evaluate the proposed project against the provisions of the *General Plan*, including those in the existing and proposed DCWP, and will consider potential conflicts with the *General Plan* as part of the decision-making process.

In general, the policies of the *General Plan* direct a mix of housing and neighborhood-serving uses to places with public transit and urban amenities; new office uses to the City's compact downtown core; and industrial uses to the core industrial lands on the City's east side.

In November 1986, the voters of San Francisco approved *Proposition M, the Accountable Planning Initiative*, which added Section 101.1 to the *Planning Code* to establish eight Priority Policies. These policies are: (1) preservation and enhancement of neighborhood-serving retail uses; (2) protection of neighborhood character; (3) preservation and enhancement of affordable housing; (4) discouragement of commuter automobiles; (5) protection of industrial and service land uses from commercial office development and enhancement of resident employment and business ownership; (6) maximization of earthquake preparedness; (7) landmark and historic building preservation; and (8) protection of open space. Prior to issuing a permit for any project which requires an Initial Study under the California Environmental Quality Act (CEQA); prior to issuing a permit for any demolition, conversion, or change of use; and prior to taking any action which requires a finding of consistency with the *General Plan*, the City is required to find that the proposed project or legislation is consistent with the Priority Policies. The case report and approval motions for the

proposed project will contain the analysis determining whether the proposed project is consistent with the Priority Policies.

B. ENVIRONMENTAL EFFECTS

The items on the Initial Study checklist that have been checked "No," indicate that Planning Department staff has determined that the proposed project would not have a significant effect on the environment. For items where the conclusion is "To Be Determined," the Planning Department has determined that the proposed project may have a significant adverse environmental effect, requiring further analysis in the EIR. Several checklist items have also been checked "Discussed," indicating that the text includes discussion about those particular issues. For all of the items checked "No" without discussion, the conclusions regarding potential adverse environmental effects are based on field observation, staff and consultant experience on similar projects, and/or standard reference materials available within the Planning Department such as the Department's *Transportation Guidelines for Environmental Review*, or the California Natural Diversity Data Base and maps, published by the California Department of Fish and Game. For each checklist item, the staff considered the impacts of the proposed project both individually and cumulatively.

1. <u>Land Use</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a. Disrupt or divide the physical arrangement of an established community?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Have any substantial impact upon the existing character of the vicinity?	To Be Determined		

The land use impacts of a proposed project would be significant if the proposed project would disrupt or divide the physical arrangement of an established community, or have a substantial impact upon the existing character of the vicinity.

The land uses surrounding the project site are a mix of heavy and light industry including PDR uses, as well as single-family residential uses and live/work lofts. The Port of San Francisco is a block to the east and the median on Third Street containing the new Third Street Light Rail scheduled for operation in mid- to late-2006, is to the west. Several storage buildings in the project area occupy an entire block.

The approximately 241,680-square-foot project would contain a mix of uses including day-care, residential and retail/restaurant uses on a mid-block site that is currently vacant. The proposed project would not change, disrupt, or divide the physical arrangement of an established community. Surrounding uses and activities would continue on their own sites and would interrelate with each other as they do at present; without substantial disruption from the proposed project.

Specifically, the proposed project would not displace any existing or historic PDR businesses. The 1922 building permit for construction of the existing 2255 Third Street building listed its intended use as a "brick foundry and warehouse." The 1924 building permit for construction of the existing 2225 Third Street building listed its intended use as "light manufacturing and warehouse." Both buildings were owned by the Levin family and used in a variety of ways to support the Levin's scrap metal business, which occupied the majority of the vacant lot surrounding the two buildings up until 1999, when the family permanently closed the business. Under the Planning Department's proposed land use classification system for the Eastern Neighborhoods, scrap metal yards are classified as a heavy industrial use and are excluded from the PDR definition. Therefore, the proposed project would not occupy space once used by an historic PDR business. Based on the building permit history, the single-story historic building at 2255 Third Street has been classified as an office use since 1968 and the three-story historic building at 2225 Third Street was formally classified as a commercial building in 1988 and then converted to office use in 2000. The site has not been used as a scrap metal yard since 1999. According to the project sponsor, the existing historic buildings have been used to house a variety of temporary office uses since 2000, including the non-profit employment organization (Young Community Builders) and EDAW's summer 2005 design studio.

Since the proposed project would not have a significant impact in terms of disrupting or dividing an established community for the reasons discussed above, project level land use effects will not be assessed further in the EIR.

The blocks surrounding the project site share a similar wide range of building types, heights, and uses found in M-2 (Heavy Industrial) zoning districts. The commercial, mixed-residential/commercial, industrial and single-family/apartment buildings range from one to four stories in height. The proposed project would be compatible with the uses, scale, and density of buildings found in the project vicinity. On Third Street, the proposed project would preserve the two historic buildings, and would construct two new structures on either side of the southernmost 2255 Third

Street building at the Third Street property that would be approximately 35 feet in height (three stories). A third, approximately 50-foot-high (five-story) new building would be constructed that would connect the two new 35-foot-tall buildings, but it would be set back 20 feet from the Third Street property line. The project would also construct a new 65-foot-tall (six-story) structure on Illinois Street, with the upper penthouse floor set back approximately six feet from the Illinois Street property line. The new buildings would be taller than the existing one- to three-story buildings on the project site and in the vicinity, but about the same height as the American Industrial Center on the block immediately to the south of the site, and similar in height to other four-story buildings in the vicinity.

The massing of the proposed project, while greater than the smallest buildings in the vicinity, would be no greater than the larger bulky existing industrial buildings on the blocks immediately to the south. In addition, there are some smaller-scale residential and residential-over-commercial uses in the vicinity. On the project block on the corner of Third and Twentieth Streets is a two-story mixed residential/commercial building (2293-2295 Third Street) with residences above the ground-floor retail. At the corner of Twentieth and Illinois Streets is another two-story, mixed-use residential/commercial building.

There are also different types of residential development scattered throughout the Central Waterfront neighborhood, from single-family to low density multi-family, to newer live-work loft units. This surrounding residential development reflects in part three small areas of residential zoning within two blocks of the project site: (1) an RH-2 (Residential, House, Two-Family) zoning district on the west side of Tennessee Street in part of each block north and south of Eighteenth Street; (2) an RH-3 (Residential, House, Three-Family) zoning district in the first part of the block north of Twenty-Second Street between Indiana and Tennessee Streets, and (3) another RH-3 zoning district in part of the block south of Twenty-Second Street on both sides of Tennessee Street. There is also an NC-2 (Neighborhood Commercial, Small-Scale) zoning district along both sides of Twenty-Second Street in the middle of the two RH-3 zoning districts between Third and Minnesota Streets, and extending most of the way down Third Street to the south on that block. Residential uses are typically permitted in the upper floors of NC districts. Other residential units are found in the Central Waterfront neighborhood with a conditional use authorization being granted for residential uses in the M-2 (Heavy Industrial) zoning district. Thus the proposed mixed-use project would be similar in

character to surrounding uses in the project vicinity, although the proposed housing would be at significantly greater densities.

The proposed project would not substantially alter planned and existing uses in the area, and would not substantially alter the vicinity's existing land use character. The proposed *DCWP* Demonstration District and *General Plan* amendments would have to be approved by the Board of Supervisors for the proposed project to be constructed. While the proposed project would intensify uses at this site compared to the existing vacant buildings and vacant land, such uses would be consistent with the proposed *DCWP* Demonstration District and *General Plan* amendments. Thus, the proposed project's effects on land use character will not be discussed in the EIR.

Although the proposed project's direct land use impacts would be less than significant, its contribution to cumulative impacts, when combined with other reasonably foreseeable development, may be significant. The Board of Supervisors adopted a motion on February 7, 2006 finding that a mitigated negative declaration for 2660 Harrison Street was inadequate because "there appears to be substantial evidence to support a fair argument that the project [2660 Harrison Street] may have potentially significant environmental effects that were not considered or mitigated.... on [1] the loss of PDR jobs and businesses, [2] on the City's ability to meet its housing needs as expressed in the City's General Plan, and [3] on land use and housing as delineated in the Department's environmental evaluation checklist." Based on the Board's decision, additional analysis needs to be completed to determine if land use changes caused by cumulative non-PDR development in the Eastern Neighborhoods might be adverse.

CEQA generally states that the social and economic effects of a project should not be treated as "significant effects on the environment" unless they involve physical impacts. However, social and economic effects may be considered in two circumstances: (1) when a project's social and economic effects may cause adverse physical impacts; or (2) to determine the significance of an identifiable physical impact caused by a project (*CEQA Guidelines* Sections 15131(a) and (b), and 15064(d)(3)(e)). In the case of the 2660 Harrison Street project, the Board of Supervisors cited two potentially negative social and economic factors (cumulative future PDR job loss and the City's inability to meet its housing needs) to determine the qualitative significance of the cumulative land use changes that would result if multiple non-PDR projects, such as the 2660 Harrison project, were approved on industrially zoned lands throughout the Eastern Neighborhoods EIR study area. Thus,

the Third Street EIR will analyze the project's potential contribution to future cumulative reduction in PDR land supply. Additional analysis and information of the project's impacts and the cumulative impacts of individual development projects on the City's ability to meet its housing needs in relation to the *General Plan* will be provided to determine whether the project's contribution to cumulative land use change would be significant and adverse.

In conclusion, the proposed project would not result in any project-level significant adverse land use effects, however, the project's contribution to cumulatively significant land use changes within the Eastern Neighborhoods draft EIR will be addressed in the project's EIR. Specifically, the Third Street EIR will discuss the following:

1. The project's contribution to the cumulative loss of building space and land with zoning designations that would permit PDR uses relative to the forecast future demand for such building space and land. This assessment will rely on the published Environmental Planning System's (EPS) study, and presume the possibility that a more housing-intensive set of zoning options from the Eastern Neighborhood planning efforts might be selected by the Board of Supervisors. Under this "worst-case" land use assumption, the conversion of the existing building space and land and the construction of mixed-use housing could contribute to the cumulative loss of potentially needed possible future PDR businesses.
2. The extent to which the project meets the goals and policies set forth in the newly updated Housing Element. This section will also examine the City's housing needs, the project's and the cumulative individual development projects' contribution to those needs, taking into account the City's inclusionary housing policy.
3. Based on the above analyses, a summary of the project's potential contribution to cumulatively significant adverse physical land use changes in the Eastern Neighborhood draft plan area.

2.	<u>Visual Quality</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a.	Have a substantial, demonstrable negative aesthetic effect?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b.	Substantially degrade or obstruct any scenic view or vista now observed from public areas?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
c.	Generate obtrusive light or glare substantially impacting other properties?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

The proposed development on the site would be noticeable from nearby locations. The proposed project would infill the largely vacant mid-block section of the subject block with buildings of up to 50 feet in height along Third Street and up to 65 feet along Illinois Street. The current visual void across the middle of the project site would no longer be present, as the proposed project would construct a multi-level, mixed-use building with active retail/restaurant spaces on the ground floor. The prevailing building height in the immediate project vicinity ranges between 15 and 65 feet. The highest portions of the proposed project would be approximately the same height as the existing brick commercial building located on the northern portion of the project block facing Nineteenth Street. The bulk of the proposed project would be less than, and the height would be similar to, the existing American Industrial Building which is approximately 50 to 65 feet in height and occupies the entire block bounded by Twentieth, Illinois, Twenty-Second, and Third Streets.

While the proposed project would occupy a large portion of the project block, the façade would be punctuated by a series of small publicly accessible plazas with entrances to the proposed interior open space courtyard to reduce the project's perceived mass. The different heights and setbacks of the two buildings on the Third Street frontage (two existing historic buildings, two new 35-foot-tall buildings built at the Third Street property line with 50-foot-tall portions set back 20 feet from the Third Street property line) would also break up the massing along the Third Street façade.

The proposed project's Third Street elevation consists of two solid masses built to the property line that respond in material and texture to the two existing historic buildings. The two new 35-foot-tall buildings would be visually connected by a 50-foot-tall element set back 20 feet from the Third Street sidewalk and clad in lighter, transparent materials. The two new 35-foot-tall structures fronting Third Street would be clad in a terra-cotta rain screen system or similar masonry-like material accentuated with punched openings and semi-projecting bays. The bays, punched openings, and storefront fenestration would be a mix of aluminum panel and glazing. The regular stack bond³ pattern of the proposed rain screen system would reference and reinforce the visual weight, pattern, and scale of the existing historic buildings.

Design and aesthetics are, by definition, subjective and open to interpretation by decision-makers and members of the public. A proposed project would therefore be considered to have a significant

³ A systematically overlapping or alternating arrangement of bricks or stones in a wall, designed to increase strength and stability.

adverse effect on visual quality under CEQA only if it would cause a substantial and demonstrable negative change. Based on the impact of the proposed building mass described above, the proposed project would contribute to a change in the urban form of the area, but its contribution to the overall massing in the Central Waterfront area would be minor, and the proposed project would not have a substantial, demonstrable, negative visual or aesthetic effect on the area, and this topic will not be evaluated further in the EIR.

The proposed project would be visible from nearby areas, but would not significantly block or degrade any public scenic views or vistas from Potrero Hill to the Bay, including the public parks on Potrero Hill. The proposed project could change the existing private views and increased shading could occur to the buildings adjacent to the project site, especially the lower floors of the American Industrial Building. While this loss or change of views could be of concern to nearby property owners and area residents, and could be considered during the City's deliberations over approval or disapproval of the project, given the urban nature of the area, loss of private views would not be considered a significant environmental effect pursuant to CEQA and will not be assessed further in the EIR.

The proposed project would comply with Planning Commission Resolution No. 9212, which prohibits the use of mirrored or reflective glass. The proposed project would not be expected to generate obtrusive light or glare because the project's lighting would be limited to minor retail and residential use that would not generate substantially more light or glare than existing surrounding uses. The proposed project would not include any reflective glass and would not cause any glare impacts on nearby pedestrians or autos. For these reasons, the environmental effects of light and glare would not be significant and will not be discussed in the EIR.

3. <u>Population</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a. Induce substantial growth or concentration of population?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Displace a large number of people (involving either housing or employment)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
c. Create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply?	To Be Determined		

The proposed project would add 179 housing units to San Francisco's housing stock. Using the average household occupancy rate of 1.76 for Census Tract 226, the resident population of the proposed project would be 315 new residents to the site and neighborhood.⁴ In addition, the 5,262 square feet of restaurant uses, the 11,434 square feet of ground-floor retail uses, and the 2,393 square feet of day-care use would create the capacity for approximately 52 employees, for a total population on the site of 367 people.⁵ The proposed project would not demolish existing housing or displace residents. It would increase the number of employees on the site but would not create a substantial demand for additional housing. On the contrary, it would provide more housing than the demand generated by the new employees on a site that currently contains no housing.

The U.S. Census estimated the year 2000 population of San Francisco at 776,733.⁶ The Association of Bay Area Governments (ABAG) projects the San Francisco population to increase to 809,200 in 2010 and to 811,100 in 2020. While potentially noticeable to adjacent neighbors, this increase of 367 total new residents and employees to the site would not substantially change the existing area-wide population, and the resulting density would not exceed levels that are permitted, common, and accepted in urban areas such as San Francisco. In addition, the Planning Department projects that the San Francisco housing stock will grow by 30,000 units between 2000 and 2025.⁷ The proposed 179 residential units would be part of this anticipated growth.

The existing lot and buildings have been vacant for the past six years (with the exception of a few temporary uses). Thus no business, employees or residents would be displaced by the proposed project.

⁴ U.S. Census 2000, Table QT-H3. Household Population and Household Type by Tenure: 2000, Tract 226, Average population per household of 1.76, October 3, 2005, URL: <http://factfinder.census.gov> (then activate the Address Search at the bottom of the left-most column [type "2225 Third Street, San Francisco California," without the zip code], highlight "census Tract: Census Tract 226," and click "OK," wait for the data to display, page down to QT-H3 (under Census 2000 Summary File 1 (SF-1) 100-Percent Data) and click on the title to display the table.

⁵ Employment generation factor of 350 sq.ft. per retail/restaurant employee and 500 sq.ft. per day-care employee is based on the Planning Department's *Transportation Impact Analysis Guidelines for Environmental Review*, October 2002, (SF Guidelines). The calculation yields 52.49 employees which rounds to 52 employees.

⁶ City and County of San Francisco Planning Department, Housing Element of the *General Plan*, Part I, May 2004, Graph I-1.

⁷ City and County of San Francisco Planning Department, *Community Planning in the Eastern Neighborhoods, Rezoning Options Workbook, First Draft*, February 2003. This report is available for public review electronically on the Planning Department website, http://www.sfgov.org/site/planning_index.asp?id=25293.

For decades, market demand for housing in San Francisco has consistently outpaced net new housing supply, contributing to a continuing escalation in the market price of housing. In March 2001, ABAG published its 1999-2006 Regional Housing Needs Determination (RHND), which included housing production goals for San Francisco. While the RHND methodology does not provide an estimate of true market demand for new housing production in San Francisco, it does set production targets based on past production trends, existing jobs-housing balances, and a desire to more equally distribute income groups among Bay Area cities. Based on this methodology, San Francisco was allocated 20,370 dwelling units for the 1999-2006 period, or an average yearly target of 2,546 net new dwelling units.⁸ Approximately 2,126 of these 20,370 units were targeted for "Low" income households, or those earning between 50-80 percent of the Area Median Income (AMI). The 21 BMR units in the proposed project would be dedicated specifically for households earning 60 percent AMI and thus would contribute to this specific goal. The remaining 13,002 of the 20,370 units allocated for San Francisco were targeted for Moderate and Above-Moderate households. The project's 158 market-rate units would satisfy some of this need. Additional analysis and information of the project's effects and the cumulative impacts of individual development projects' effects on the City's ability to meet its housing needs as expressed in the *General Plan* will be discussed in the project's EIR analysis under cumulative land use impacts.

4. <u>Transportation/Circulation</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a. Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Interfere with existing transportation systems, causing substantial alterations to circulation patterns or major traffic hazards?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
c. Cause a substantial increase in transit demand which cannot be accommodated by existing or proposed transit capacity?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
d. Cause a substantial increase in parking demand which cannot be accommodated by existing parking facilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

⁸ City and County of San Francisco Planning Department, Housing Element of the *General Plan*, May 2004, page 1. This report is available online for public review at www.sfgov.org/site/uploadedfiles/planning/projects_reports/Adopt%20Preface.pdf.

A transportation study was prepared for the proposed project by Wilbur Smith Associates, and is summarized below.⁹ Due to the proximity between the proposed project and another project proposed nearby at 1301 Indiana Street by another project sponsor, the analysis for the 2225-2255 Third Street Project includes a transportation scenario that documents the combined impacts of both projects to determine if the impacts would be significant. The approved project at 1301 Indiana Street would consist of the construction of two mixed-use buildings containing a total of 71 residential units, approximately 18,700 square feet of PDR, 4,500 square feet of retail use, and 70 parking spaces.

It should be noted that the City and County of San Francisco is currently in the process of constructing a new light rail transit line (the Third Street Light Rail) along the Third Street Corridor in southeastern San Francisco. The light rail line will operate along Bayshore Boulevard and Third Street, between the Caltrain Bayshore Station and downtown San Francisco and will replace the existing Muni 15-Third Street bus line. Completion of the Third Street Light Rail in 2006 will change the existing street circulation pattern, transit, and on-street parking in the study area. All future changes to the transportation infrastructure in the project vicinity are reflected in the 2015 Cumulative Conditions analysis and not in the Existing plus Project analysis because the light rail project was under construction at the time of the analysis. These changes are described at the beginning of the section presenting the 2015 Cumulative Conditions analysis.

Street Network

This section discusses the existing local roadway network in the vicinity of the project site, including the roadway designation, number of travel lanes, and traffic flow directions.

Third Street is the principal north-south arterial in the southeastern section of San Francisco, extending northerly from the interchange with US 101 and Bayshore Boulevard to Market Street. In the vicinity of the project site, Third Street has six travel lanes, nine-foot-wide sidewalks, and on-street unmetered parking on both sides. In the *San Francisco General Plan*, Third Street is designated as a Major Arterial in the Congestion Management Network, a Primary Transit Street

⁹ Wilbur Smith Associates, *2225-2255 Third Street Transportation Study*, November 30, 2005. This report is available for review by appointment in Project File No. 2002.1302E at the Planning Department, Fifth Floor, 1660 Mission Street, San Francisco. Some of the figures in the study were updated in a more recent memo: Luba C. Wyznyckyj, Memo to Tammy Chan, San Francisco Planning Department, March 8, 2006, Regarding 2235 Third Street Transportation Study -- Travel Demand for the Revised Projects.

(Transit Important), a Neighborhood Commercial Street, and a Citywide Bicycle Route (Route #5, Class III) from Townsend Street to the south. Vehicles over 5½ tons are prohibited from using Third Street between Jerrold and Jamestown Avenues.

Mariposa Street is an east-west street between Illinois Street and Harrison Street. In the vicinity of the project site, it is a two-way street with generally one lane in each direction and 12-foot-wide sidewalks. I-280 on- and off-ramps (southbound and northbound, respectively) are located immediately east of the intersection of Pennsylvania and Mariposa Streets. The *San Francisco General Plan* identifies Mariposa Street as a Citywide Bicycle Route between Third and Pennsylvania Avenue (Route #23, Class III).

Illinois Street is a north-south street east of Third Street between Sixteenth Street and Tulare Street with four-foot-wide sidewalks. An active single railroad track runs along almost the entire length of Illinois Street from Sixteenth Street to Pier 80. This two-way, two-lane roadway is a part of the Citywide Pedestrian Network north of Twenty-Fourth Street. In the vicinity of the project site, parking is unrestricted on both sides of the street. Perpendicular parking exists on Illinois Street between Twentieth and Nineteenth Streets, and between Eighteenth and Seventeenth Streets. Clockwise light rail train turn-back loops for the future Third Street Light Rail are currently under construction on Illinois between Eighteenth and Nineteenth Streets.

Nineteenth Street is a two-way discontinuous roadway between Illinois Street and Danvers Street that breaks at I-280. In the vicinity of the proposed project, Nineteenth Street has one travel lane in each direction, nine- to 12-foot-wide sidewalks, and on-street parking on both sides of the street, including perpendicular angled parking between Tennessee and Minnesota Streets. Clockwise light rail train turn-back loops for the future Third Street Light Rail are currently under construction on Illinois between Eighteenth and Nineteenth Streets.

Twentieth Street is a two-way east-west roadway that runs between Illinois and Douglass Streets (but breaks east of US 101). In the vicinity of the proposed project, Twentieth Street has one travel lane in each direction, nine- to 12-foot-wide sidewalks, and on-street parking on both sides of the street, including perpendicular parking between Tennessee and Minnesota Streets.

Twenty-Second Street is a two-way east-west roadway that runs between Illinois and Grand View Avenue (but breaks west of I-280). In the vicinity of the proposed project, Twenty-Second Street has one travel lane in each direction, 10- to 12-foot-wide sidewalks, and on-street parking on both sides of the street.

The proposed project would include the renovation of two existing buildings along Third Street, the construction of two new buildings along Third Street, and the construction of a new building on Illinois Street to produce 179 residential units, approximately 5,262 square feet of restaurant uses, 11,434 square feet of ground-floor retail uses along Third Street, and 2,393 square feet of day-care services. In total, the proposed project would contain about 242,185 square feet, including approximately 174,925 square feet of residential space. The proposed project would contain a below-grade, single-level parking garage/podium for approximately 157 cars (36 independently accessible spaces, one independently accessible car-share space, and 120 automated stacked spaces), 50 bicycle parking spaces, and two off-street loading spaces. Primary pedestrian access would occur on Third Street. Vehicular access would be from a single garage entry/exit on Illinois Street.

Traffic

Traffic surveys and Level of Service (LOS) analyses were conducted for seven major intersections in the project study area (four signalized and three unsignalized): the signalized intersections of Third/Twenty-Second, Third/Twentieth, Mariposa/Third, and I-280 Northbound Off-Ramp/Mariposa; the unsignalized two-way STOP controlled intersection at Third/Nineteenth; and the all-way STOP controlled intersections of Illinois/Nineteenth and Illinois/Twentieth. Traffic operations are characterized using a p.m. peak-hour LOS analysis, which provides a standardized means of rating an intersection's operating characteristics on the basis of traffic volumes, intersection capacity, and delays. LOS A represents free-flow conditions, with little or no delay, while LOS F represents congested conditions, with extremely long delays; LOS D (moderately high delays) is considered the lowest acceptable level in San Francisco.

Based on the Planning Department's *Transportation Impact Analysis Guidelines for Environmental Review*, October 2002, (*SF Guidelines*), the proposed project would generate an estimated average daily 4,798 person trips, including about 627 person trips during the p.m. peak hour. These 627 p.m. peak hour person trips would be distributed among various modes of transportation, including

408 automobile person-trips, 98 transit trips, and 121 person trips by walking or other modes which includes bicycles and motorcycles.¹⁰ The proposed project would generate approximately 283 vehicle-trips during the weekday p.m. peak hour.¹¹

Under Existing plus Project Conditions, five of the seven study intersections would continue to operate at LOS B or better with no significant increase in delays, as shown in Table 1, below.

Table 1 Intersection Level of Service Existing, Proposed Project, 1301 Indiana Street Project, and 2015 Cumulative Conditions – Weekday P.M. Peak Hour								
Intersection	Existing		Existing plus Project		Existing plus Project plus 1301 Indiana Street Project ¹		2015 Cumulative	
	Delay ²	LOS	Delay	LOS	Delay	LOS	Delay	LOS
Signalized:								
1. Third/Twenty-Second	10.0	B	10.2	B	10.5	B	22.2	C
2. Third/Twentieth	10.0	B	11.3	B	11.5	B	20.4	C
3. Mariposa/Third	12.1	B	12.3	B	12.3	B	39.3	D
4. I-280 Northbound Off-Ramp/Mariposa	33.5	C	35.5	D	35.5	D	41.4	D
Unsignalized:								
5. Third/Nineteenth (TWSC) ³	29.8	D	55.4	F*	61.4	F*	20.4	C ⁴
6. Illinois/Nineteenth (AWSC) ³	8.2	A	9.4	A	9.4	A	>50	F
7. Illinois/Twentieth (AWSC) ³	9.1	A	9.8	A	9.8	A	22.5	C

Notes:

¹ The combined effect of the proposed project and the separately proposed 1301 Indiana Street Project.

² Delay presented in seconds per vehicle.

³ Intersection STOP-controlled (delay and LOS presented for worst approach).

⁴ Due to future signalization associated with the Third Street Light Rail project.

* Indicates a second approach operates at LOS E or F.

TWSC = Two-way STOP controlled.

AWSC = All-way STOP controlled.

Source: Wilbur Smith Associates, September 2005.

¹⁰ Mode split information is from the 2000 U.S. Census for the residential uses (census tract 226), and from the *SF Guidelines* for the restaurant/retail and office uses for employee and visitor trips to Superdistrict 3.

¹¹ An average vehicle occupancy (obtained from the 2000 U.S. Census and the *SF Guidelines*) was applied to the number of auto person-trips to determine the number of vehicle-trips generated by the proposed project. The average auto occupancy for census tract 226 is 1.07 persons per vehicle. Source: *2235 Third Street Transportation Study*, Wilbur Smith Associates, Final Report, November 30, 2005, pages 3-1 and 3-2. This report is on file and available for public review by appointment at the Planning Department, 1660 Mission Street, Fifth Floor, San Francisco, as part of Project No. 2002.1302E.

Congestion at the signalized intersection of the I-280 Northbound Off-Ramp/Mariposa would worsen from LOS C to LOS D (as noted previously, LOS D is considered acceptable in San Francisco), with the average delay increasing two seconds per vehicle. Congestion at the unsignalized intersection of Third/Nineteenth would worsen from LOS D to LOS F with the average delay increasing 25 seconds per vehicle. Two directions at the intersection of Third/Nineteenth would operate unacceptably (eastbound and westbound). However, the intersection would not meet Caltrans signalization warrants, and therefore it would be considered as operating acceptably. Note that this intersection will be signalized as part of the Third Street Light Rail Project, at which point it would operate at LOS C. In addition, the intersection of Illinois/19th would operate at LOS F under 2015 Cumulative conditions, but Caltrans signal warrants would not be met, and therefore the intersection would be considered to operate acceptably.

In conclusion, the addition of traffic generated by the proposed project would not result in any significant impacts to the study intersections during the weekday p.m. peak hour and mitigation measures would not be required and improvement measures are not proposed. This issue will not be assessed further in the EIR.

Existing plus Project plus 1301 Indiana Street Project

The project located at 1301 Indiana Street – two mixed-use buildings containing a total of 71 residential units, approximately 18,700 square feet of PDR, and 4,500 square feet of retail use – would generate about 135 vehicle-trips during the weekday p.m. peak hour (53 inbound and 82 outbound). The combination of the proposed project and the 1301 Indiana Street Project (see Table 1 above) would not change the level of service at any study intersection and the impacts would be considered less than significant. Five of the study intersections would continue to operate at LOS A or B, unchanged from existing conditions with no significant increase in delay. The delay at the intersection of I-280/Mariposa would not increase with the 1301 Indiana Street project and the intersection LOS would change from C to D without significant impact as it would under the proposed project. As with the proposed project, mitigation measures would not be required and improvement measures are not proposed. This issue will not be discussed in the EIR.

The 1301 Indiana Street Project would generate about 33 transit trips (17 inbound and 16 outbound) during the weekday p.m. peak hour. Transit trips to and from this project would likely use the

nearby Muni 15-Third Street bus line to access downtown and other Muni bus/light rail lines or the regional transit providers. The identified study area bus lines currently have available capacity during the weekday p.m. peak period, and therefore would be able to accommodate the additional transit riders associated with both projects. Other impacts related to parking, loading, pedestrians, and bicycles were found not to be different from the less-than-significant impacts of the proposed project or they were found to be unrelated.

Cumulative Impact

The analysis of cumulative conditions is based upon the following changes in the transportation system anticipated from the Third Street Light Rail Project as follows:

- **Street Network:** The new Third Street Light Rail will operate in the center median of Bayshore Boulevard and Third Street, which will require the removal of one travel lane in each direction on both streets. In the vicinity of the project site the following streets will be affected:
 1. Third Street – Parking will be eliminated on the east side of Third Street north of Twentieth Street. Truck access into the proposed loading space on Third Street near Nineteenth Street may be hindered (please see the "Loading" subsection, page 43). A new boarding island will be located at the northeast corner of Third and Twentieth Streets.
 2. Illinois Street - The southern end of Illinois Street between 25th Street and Cesar Chavez Street will be reconstructed in order to accommodate the future maintenance yard near the Western Pacific site. Truck access into the proposed loading space on Illinois Street near Twentieth Street may be hindered (please see the "Loading" subsection on page 43). In addition, clockwise light rail train turn-back loops on Illinois Street between Eighteenth and Nineteenth Streets will result in the removal of an estimated 13 on-street parking spaces on Nineteenth Street between Illinois and Third Streets.
- **Intersections:** To accommodate the light rail, all major intersections along Third Street within the project vicinity will be signalized, signal timings will be adjusted, and some turning movements will be prohibited. In the vicinity of the project site the following intersections will be affected:
 3. Third Street/Eighteenth Street – Southbound left turns will be prohibited.
 4. Third Street/Nineteenth Street – Northbound and southbound left turns will be prohibited and the intersection will be signalized.
 5. Third Street/Mariposa Street – Northbound and southbound left turn pockets will be provided.
 6. Third Street/Twentieth Street – Northbound and southbound left turn pockets will be provided.
- **Transit** - The 15-Third Street bus line will be replaced by the Third Street Light Rail at the

same seven-minute headways currently provided. By 2015, six-minute headways are planned.

Although traffic flow would generally worsen under the 2015 cumulative development scenario at each of the study intersections, it would remain at acceptable levels of service. Traffic flow would range from LOS C to LOS F at the intersection of Illinois/Nineteenth where Caltrans traffic warrants would not be met and traffic flow, therefore, would be considered acceptable (see Table 1, above). Thus, under future 2015 Cumulative Conditions, cumulative impacts at the study intersections would be less than significant. For the less-than-significant cumulative conditions at all the study intersections, the proposed project's share of growth in traffic volumes would be between one and 16 percent, while its share of 2015 cumulative traffic volumes would be between one and 14 percent. These shares would be the greatest at the intersections adjacent to the proposed project (such as those along Illinois Street).

Mitigation measures would not be required or recommended and improvement measures are not proposed for the proposed project's less-than-significant cumulative impacts; this impact will not be evaluated further in the EIR. However, it should be noted that the Mission Bay Redevelopment Plan has mitigation measures that would apply to two of the proposed project's study intersections when traffic conditions warrant them – those of I-280 Northbound Off-Ramp/Mariposa Street and Mariposa Street/Third Street. Please see Section D, Mitigation and Improvement Measures, page 81 for a description of these measures and applicable traffic conditions.

Transit

Local transit service to the project site is provided by the San Francisco Municipal Railway (Muni) bus lines, which can also be used to access regional transit operators (including BART, AC Transit, Golden Gate Transit, and SamTrans). In addition, Caltrain has a stop at Twenty-Second and Pennsylvania Streets and provides rail passenger service between Gilroy and downtown San Francisco. Muni service in the project vicinity includes bus (both diesel and electric trolley), and the future light rail (Muni Metro).

Muni operates three bus lines in the vicinity of the proposed project – Routes 15-Third Street, 22-Fillmore Street, and the 48-Quintara/Twenty-Fourth Street. The 15-Third and 22-Fillmore lines pass directly in front of the project site along Third Street between Nineteenth and Twentieth Streets,

while the 48-Quinterra passes the project block boundary of Twentieth Street between Illinois and Third Streets. The nearest bus stop for all three lines is the corner of Twentieth and Third Streets. Capacity utilization on these lines ranges between 37 to 70 percent, with capacity available to accommodate additional passengers. The proposed project would generate about 98 transit trips (54 inbound and 44 outbound) during the weekday p.m. peak hour. Transit trips to and from the proposed project would likely use the nearby bus lines that have available capacity.

With the completion of the Third Street Light Rail in 2006, the 15-Third Street bus line will be replaced by the Third Street Light Rail at the same seven-minute headways currently provided by the 15-Third Street bus line. By 2015, six-minute headways are planned. Transit effects will not be discussed in the EIR.

Parking

Overall, there are approximately 718 on-street parking spaces within the study area for the proposed project. Occupancy is 85 percent during the weekday midday period with 109 spaces available and is 53 percent during the weekday evening period with 340 spaces available. Within the study area, there are no public off-street parking facilities.

The proposed project would provide room for 157 cars within a one-level, below-grade parking garage (consisting of 36 independently-accessible spaces, one independently-accessible car-share space, and 120 spaces in automated two-car stackers). Of the 36 independently-accessible spaces, six would be handicapped-accessible spaces. The 50 bicycle spaces would be in three separate areas in the middle of the garage. Access to the proposed project's parking garage would be through one 21-foot-wide driveway located on Illinois Street.

Under Section 151 of the *Planning Code*, 215 off-street parking spaces would be required for the proposed project, including 179 spaces for the proposed 179 residential units, 34 spaces for the combined restaurant/retail uses, and two spaces for the day-care use. Section 155(i) of the *Planning Code* requires one handicapped-accessible space for every 25 parking spaces. The proposed project would provide six handicapped-accessible spaces, which would meet the *Planning Code* requirement.

However, under certain conditions, Section 150(c) of the *Planning Code* allows for any "lawful deficiency in off-street parking" to be counted as a credit against the current off-street parking requirements of Section 151 for any major addition to an existing building. The lawful deficiency in off-street parking for the two existing historic buildings at 2225 and 2255 Third Street is 44 spaces.¹² Applying this credit to the 36 required off-street parking spaces for the restaurant, retail, and day-care use would result in a zero off-street parking deficit for the nonresidential uses of the proposed project.¹³ Furthermore, the proposed *DCWP* Demonstration District would eliminate the residential parking requirement consistent with the *DCWP*. Thus, upon adoption of the *CWP* District, the proposed project's total residential and nonresidential parking requirements would be zero.

Based on the methodology presented in the *SF Guidelines*, the proposed project would generate a total weekday midday parking demand of about 291 spaces, including 169 spaces for the residential use and 122 spaces for the restaurant, retail, and day-care uses. In addition, there would be a total weekday residential and restaurant evening parking demand of about 252 spaces.

- Residential parking demand would be about 169 spaces during the weekday midday and 211 spaces during the weekday evening. Since the proposed project would provide 157 residential off-street parking spaces (and zero nonresidential spaces), there would be a shortfall of 12 spaces during the midday and about 54 spaces during the evening.

¹² As set forth in Planning Code Section 150(c), for any structure or use lawfully existing prior to the adoption of the Planning Code's off-street parking requirements, "off-street parking and loading spaces need be provided only in the case of a major addition to such structure or use, and only in the quantity required for the major addition itself. Any lawful deficiency in off-street parking or loading spaces existing on such effective date may be carried forward for the structure or use, apart from such major addition." Both buildings were constructed in the 1920s, long before the adoption of Section 150 parking requirements. They have both been used and classified as office uses with off-street parking deficiencies for decades prior to the current project proposal. Section 151 of the Planning Code requires one off-street parking space for each 500 square feet of occupied floor area where the occupied floor area exceeds 5,000 square feet. As discussed previously, 2225 Third Street contains approximately 14,400 square feet of floor area and 2255 Third Street contains approximately 8,500 square feet of floor area. Accordingly, the existing lawful deficiency for 2225 Third Street is 28 spaces and 17 spaces for 2255 Third Street. Collectively, there is a 45-space lawful deficiency for the two existing commercial structures.

¹³ The proposed project would include approximately 16,696 square feet of retail uses and approximately 2,393 square feet of day-care use. About 5,262 square feet of the new floor area would be devoted to a restaurant use and the remaining 11,696 square feet would be devoted to neighborhood-serving retail. The restaurant would contain approximately 5,262 square feet so one off-street parking space would be required for each 500 square feet of occupied floor area, or approximately 11 spaces. The remaining 11,696 square feet of retail would require one off-street parking space for every 500 square feet of occupied floor area up to 20,000 square feet, so 23 spaces would be required. A child-care center would occupy approximately 2,393 square feet of floor area. The project sponsor is uncertain of the total number of children who might enroll, but expects a maximum enrollment of 50 children at any one time, which would require two off-street parking spaces. Thus, the total commercial off-street parking requirement would be 36 spaces. Because there is an existing lawful parking deficiency of 44 spaces that would be carried forward, the project would not be required to add any new off-street parking spaces for the commercial uses.

- Restaurant, retail, and day-care demand, and the resulting shortfall since the proposed project would not provide nonresidential off-street parking spaces, would be about 122 spaces during the weekday midday and 41 spaces for the evening periods.

The existing surplus of on-street parking would not accommodate all of the demand for parking. During the weekday midday period, area-wide parking conditions are about 85 percent occupied, with about 109 available on-street parking spaces. The resulting residential and commercial shortfall would be 25 on-street parking spaces, making it difficult for drivers to find parking in the study area. As a result, drivers may park outside the study area on-street or may switch to transit, carpool, or other forms of travel.

During the weekday evening period, area-wide parking conditions would be about 53 percent occupied, leaving about 340 available spaces in the study area. As such, the proposed project's weekday evening parking shortfall of 95 spaces for the commercial and residential uses could be accommodated within the study area.

It should be noted that parking on Third Street within the vicinity of the proposed project is currently displaced due to construction of the Third Street Light Rail. Vehicles that would generally park on Third Street have been displaced to other streets, such as Illinois, Minnesota, or Tennessee, or these vehicle trips have been replaced by other modes (carpool, transit, etc). According to the Third Street Light Rail Project EIS/EIR,¹⁴ and the Department of Parking and Traffic, parking conditions within the project vicinity will change with completion of the Third Street Light Rail. It is estimated that at least 20 parking spaces on the west side of Third Street between Mariposa and Twenty-Second Street would be reintroduced and 13 spaces on Eighteenth and Nineteenth Streets between Third and Illinois Streets would be lost. This net gain of seven spaces out of the 718 spaces in the study area would not substantially change the existing occupancy rates or available capacity.

In general, parking shortfalls are not considered to be significant environmental effects in San Francisco. Parking deficits are considered to be social effects, rather than impacts on the physical environment as defined by CEQA. Under CEQA, a project's social impacts need not be treated as significant impacts on the environment. Environmental documents, should however, address the secondary physical impacts that could be triggered by a social impact (*CEQA Guidelines* Section

¹⁴ City and County of San Francisco, Planning Department and Federal Transit Administration, *Third Street Light Rail Project Final EIS/EIR*, November 1998, Case File. 96.281E.

15131(a)). The social inconvenience of parking deficits, such as having to hunt for scarce parking spaces, is not an environmental impact, but there may be secondary physical environmental impacts, such as increased traffic congestion at intersections, air quality impacts, safety impacts, or noise impacts caused by congestion. In the experience of San Francisco transportation planners, however, the absence of a ready supply of parking spaces, combined with available alternatives to auto travel (e.g., transit service, taxis, bicycles or travel by foot) and a relatively dense pattern of urban development, induces many drivers to seek and find alternative parking facilities, shift to other modes of travel, or change their overall travel habits. Any such resulting shifts to transit service, in particular, would be in keeping with the City's "Transit First" policy. The City's Transit First Policy, established in the City's Charter Section 16.102 provides that "parking policies for areas well served by public transit shall be designed to encourage travel by public transportation and alternative transportation." As noted above, there are public transit lines adjacent to the project as well as City-wide bicycle routes.

The transportation analysis accounts for potential secondary effects, such as cars circling and looking for a parking space in areas of limited parking supply, by assuming that all drivers would attempt to find parking at or near the project site and then seek parking farther away if convenient parking is unavailable. Moreover, the secondary effects of drivers searching for parking is typically offset by a reduction in vehicle trips due to others who are aware of constrained parking conditions in a given area. Hence, any potential secondary environmental impacts which may result from a shortfall in parking in the vicinity of the proposed project would be minor, and the traffic assignments used in the transportation analysis, as well as the associated air quality, noise, and pedestrian safety analysis, reasonably addresses the potential secondary effects. Parking effects will not be addressed in the EIR.

Although the proposed project's parking impacts would be less than significant, the project sponsor has agreed to implement Improvement Measure 1, page 80, to encourage residents to use alternate modes of travel to reduce demand for parking.

Loading

The proposed project would provide a total of two off-street loading spaces. One space would be located between the north property line and the north wall of the existing 2225 Third Street building.

It would be accessed from an existing driveway on Third Street. The space would be approximately 15 feet wide and 80 feet long and open to the sky above. This space would accommodate two vehicles parked in tandem (see Figure 5, page 8). The second space would be located in the parking garage at the southeastern corner of the site and accessed from Illinois Street. It would be approximately 12 feet six inches wide and 42 feet six inches long, with a minimum vertical height of 14 feet. Trucks would be able back up into this space and unload directly onto a dock with double doors leading into the garage and a direct passageway to the basement of 2255 Third Street. In addition, the proposed project would request a 40-foot on-street loading (yellow) zone on Illinois Street adjacent to the parking garage driveway. It would displace two on-street parking spaces but would accommodate at least one truck. The proposed loading zone would need approval from the Department of Parking and Traffic.

The proposed project would be required to provide one off-street loading space for the retail use and one off-street loading space for the residential use (per Sections 152, 153(a) and 154b of the *Planning Code*). The two proposed off-street loading spaces would meet the *Planning Code* requirement.

Based on the methodology and truck trip generation rates provided in the *SF Guidelines*, the proposed project would generate a demand of about 33 delivery/service trips per day. These trips would result in a demand for two loading spaces during an average hour as well as during the peak hour of loading activities. It is anticipated that the loading demand would be accommodated within the project site.

Double parking and maneuvering into the proposed project's loading area off Third Street could potentially impact northbound Third Street traffic flow. However, the potential impacts would be minimized since the two northbound lanes would be widened under the N-Judah Line extension to Mariposa Street from a 24-foot roadway at the Twentieth Street light rail platform to a 30-foot roadway between the north end of the platform and Nineteenth Street. The access to the proposed project's loading area would be located in the wider portion of northbound Third Street. It is not anticipated that delivery trucks are likely to be large semi tractor-trailers or concentrated during the peak commute hours, therefore delays to existing traffic operations would be minimal and less than significant. However, to further reduce potential congestion, the project sponsor has agreed to

implement Improvement Measure 2 (see the Improvement Measures section of this Initial Study, page 80), to provide delivery managers to schedule or direct deliveries.

The proposed project would have a short-term passenger loading/unloading demand associated with the proposed day-care use (drop-off during the morning, and pick-up in the afternoon). The proposed project would request a (white) passenger loading zone on Illinois Street adjacent to the pedestrian access/stairway leading up to the podium level of the project site. The zone would be a minimum of 100 feet (potentially eliminating approximately five on-street parking spaces), which would be sufficient to accommodate the passenger loading demand. Loading effects will not be evaluated further in the EIR.

Pedestrians

Pedestrian trips generated by the proposed project would include walk trips to and from the residential and retail uses to and from local and regional transit operators. Overall, the proposed project would add about 219 p.m. peak hour pedestrian trips (including about 121 walk/other/linked trips and 98 transit trips) to the adjacent sidewalks. No significant pedestrian impacts are anticipated, as the addition of pedestrian and vehicular traffic generated by the proposed project would not substantially affect the existing low volumes of existing pedestrian trips and, therefore, will not be evaluated further in the EIR.

Bicycles

In the vicinity of the project site, portions of six streets are designated as Citywide Bicycle Routes (Cesar Chavez Street between Mississippi and Sanchez Streets (Class III) and Third and Mississippi Streets (Class II) (Route #60); Third Street between Townsend Street and south to the county line (Class III, Route #5); Indiana Street between Mariposa and Cesar Chavez Streets (Class III, Route #7); Cesar Chavez Street to Tulare Street (Class II, Route 907); Mississippi Street between 16th and Mariposa Streets, Mariposa Street between Mississippi and Third Streets (Class III, Route #23); 16th Street between Rhode Island and Third Streets (Class II, Route 40). During field observations, very few bicyclists were observed riding along the established bicycle routes in the vicinity of the project site. Bicycle conditions were observed to be operating acceptably, with only minor conflicts between bicyclists, pedestrians, and vehicles. Although the proposed project would increase the number of vehicles on the surrounding streets, this increase would not be substantial enough to

adversely affect existing bicycle travel in the area. The proposed project would provide 50 bicycle parking spaces in the parking garage, 44 more than the required six bicycle parking spaces (per Section 155.4 of the *Planning Code*). Potential project bicycle effects will not be evaluated further in the EIR.

Construction

Construction of the proposed project is expected to take approximately 18 months and would not require demolition. Construction-related activities would typically occur Monday through Friday from 7:00 a.m. to 3:00 p.m., but may occasionally occur on Saturday. Construction staging, worker parking, and truck loading and unloading activities would occur primarily from within the project site on the portion fronting Illinois Street. Throughout the duration of construction, the on-street parking along Illinois Street would be temporarily closed, in order to provide staging areas.

It is anticipated that no regular traffic lanes would need to be closed during construction. However, if temporary closures would be needed, they would be coordinated with the City in order to minimize the impacts on local traffic. In general, lane and sidewalk closures are subject to review and approval by the DPW and the Interdepartmental Staff Committee on Traffic and Transportation. It is not anticipated that any Muni bus stops would need to be relocated. However, prior to construction, the project sponsor would need to coordinate with DPT and Muni to determine if acceptable temporary replacement stop locations are needed.

Throughout the construction period, there would be a flow of construction-related trucks into and out of the site that would temporarily reduce the capacities of local streets due to the slower movement and larger turning radii of trucks, which may affect both traffic and transit operations. Third, Eighteenth, and Mariposa Streets are expected to be the primary haul and access routes to or from the project site. Trucks traveling between the project site and the South Bay are likely to use the Mariposa Street I-280 northbound off-ramp and the Eighteenth Street I-280 southbound on-ramp. Construction trucks traveling between the project area and the East Bay would likely use the Eighteenth Street I-280 northbound on-ramp and Mariposa Street I-280 southbound off-ramp. Construction impacts would not be considered significant due to their temporary and limited duration and no mitigation measures would be required. They will not be evaluated further in the EIR. Although construction impacts would be temporary, truck turning movements could be limited

to the hours between 9:00 a.m. and 3:30 p.m. (or other times, if approved by DPT) if it were determined as needed. This would minimize disruption of the general traffic flow on adjacent streets during the a.m. and p.m. peak periods. The project sponsor and construction contractor(s) would meet with the Traffic Engineering Division of the DPT, the Fire Department, Muni, and the Planning Department to determine feasible measures to reduce traffic congestion, including transit disruption and pedestrian circulation impacts during construction of the proposed project. For the reasons discussed above, construction transportation effects will not be analyzed in the EIR.

Conclusion

All of the proposed project's potential transportation impacts would be less than significant: traffic intersection LOS, cumulative intersection LOS, transit, parking, pedestrian, bicycle, construction, and combined effects with 1301 Indiana Street Project. Mitigation measures would not be required. Three improvement measures for parking, loading, and construction are proposed. In addition, the Mission Bay Redevelopment Plan would implement mitigation measures at two project intersections when cumulative traffic conditions warrant them. For these reasons, the topic of transportation and circulation will not be analyzed further in the EIR.

5. <u>Noise</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a. Increase substantially the ambient noise levels for adjoining areas?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Violate Title 24 Noise Insulation Standards, if applicable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
c. Be substantially impacted by existing noise levels?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Effects on Ambient Noise Levels

Traffic is the existing noise source that makes the greatest contribution to ambient noise levels throughout most of San Francisco. Traffic volumes in an area would have to approximately double before ambient noise levels would be noticeable to most people. The proposed project would add up to 283 vehicle trips during the weekday p.m. peak hour to adjacent streets. The proposed project's contribution to traffic volumes would be a small fraction of the existing traffic in the project vicinity. Therefore, the proposed project would not cause traffic volumes to double at any study location or have a noticeable effect on ambient noise levels in the project vicinity. Thus, traffic noise will not be

discussed in the EIR.

The proposed project may include mechanical equipment, such as forced air mechanical ventilation, which could produce operational noise. These operations would be subject to the San Francisco Noise Ordinance, Article 29, Section 2909, which limits noise from building operations. Substantial increases in the ambient noise level due to building equipment noise would not be anticipated. The new residential units and commercial spaces would generate noise similar to that generated by the existing nearby uses, and would not result in significant noise impacts, and will not be addressed in the EIR.

Construction Noise

During the estimated 18-month project construction period, construction noise would be noticeable and may be considered an annoyance by occupants of nearby properties. However, due to the temporary and intermittent nature of this impact, and the existing urban noise levels in the immediate area, construction noise would not be significant and will not be assessed further in the EIR.

Construction noise is regulated by the San Francisco Noise Ordinance (Ordinance No. 274-72, Article 29 of the Police Code). The noise level limit does not apply to impact tools, but such tools must be fitted with intake and exhaust mufflers recommended by the manufacturers and approved by the Director of Public Works as the best accomplishing maximum noise attenuation, and acoustically attenuating shields or shrouds shall be used. The ordinance requires that noise levels from individual pieces of construction equipment, other than impact tools, not exceed 80 dBA¹⁵ at a distance of 100 feet from the source. The foundation would consist of a concrete slab mat, would not involve pile driving, and no pile driving noise impacts would be generated by the proposed project. Section 2908 of the Ordinance prohibits construction work between 8:00 p.m. and 7:00 a.m., if noise would exceed the ambient noise level by 5 dBA at the project property line, unless a special permit is authorized by the Director of Public Works. The construction operations would comply with the Noise Ordinance requirements, and construction is not expected to occur after 8:00 p.m.

Implementation of the following standard construction noise control measures as Mitigation Measure

¹⁵ dBA is the symbol for decibels using the A-weighted scale. A decibel is a unit of measurement for sound loudness (amplitude). The A-weighted scale is a logarithmic scale that approximates the sensitivity of the human ear.

1, (see page 75) and strict enforcement of the City's noise ordinance would reduce this impact to a less-than-significant level:

- Equip all internal combustion engine driven equipment with intake and exhaust mufflers which are in good condition and appropriate for the equipment.
- Locate stationary noise generating equipment as far as possible from sensitive receptors when sensitive receptors adjoin or are near a construction project area.
- Utilize "quiet" air compressors and other stationary noise sources where technology exists.
- The contractor shall prepare a detailed construction plan identifying the schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with the adjacent noise sensitive facilities so that construction activities can be scheduled to minimize noise disturbance.
- Designate a "disturbance coordinator" who would be responsible for responding to any local complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and will require that reasonable measures warranted to correct the problem be implemented. The project sponsor shall conspicuously post a telephone number for the disturbance coordinator at the construction site and include it in the notice sent to neighbors regarding the construction schedule.
- Prohibit large trucks from accessing the construction site prior to 7:00 a.m.

The proposed project would consist primarily of residential uses, along with ground-floor retail uses. Title 24 of the California Code of Regulations establishes noise insulation standards for residential and non residential projects. For areas with background noise levels between 60 and 70 decibels, the San Francisco *General Plan* states that "new construction or development should be undertaken only after a detailed analysis of the noise reduction requirements is made and needed noise insulation features are included in the design."¹⁶ For areas with background noise levels greater than 70 decibels, "new construction or development should generally be discouraged. If new construction or development does proceed, a detailed analysis of the noise reduction requirements must be made and needed noise insulation features must be included in the design." There are no special noise insulation requirements for background noise levels below 60 decibels. The Department of Building Inspection (DBI) would review the final building plans to insure that the building wall and floor/ceiling assemblies meet state standards regarding sound transmission. Because the proposed development would comply with Title 24 noise insulation requirements, the existing noise environment would not significantly affect occupant use and this issue will not be discussed further

¹⁶ *San Francisco General Plan*, Environmental Protection Element, Objective 11, Land Use Compatibility Chart for Community Noise.

in the EIR.

The proposed project would not have any significant noise impacts on the environment and noise levels will not be analyzed further in the EIR.

6. <u>Air Quality/Climate</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a. Violate any ambient air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Permeate its vicinity with objectionable odors?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Alter wind, moisture, or temperature (including sun shading effects) so as to substantially affect public areas, or change the climate either in the community or region?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Construction Emissions

Construction activities would include earth moving and grading operations and they would be expected to generate exhaust emissions and fugitive particulate matter emissions that would temporarily affect local air quality. Construction activities would not involve burning of any materials and would not create objectionable odors. The construction activities would temporarily affect local air quality for a period of approximately four to five months. Fine particulate matter (PM₁₀) is the pollutant of greatest concern with respect to construction activities.¹⁷ PM₁₀ emissions can result from a variety of construction activities, including excavation, grading, demolition, vehicle travel on paved and unpaved surfaces, and vehicle and equipment exhaust. More of a nuisance than a hazard for most people, this dust could affect persons with respiratory diseases, as well as sensitive electronic or communications equipment. Consistent with Bay Area Air Quality Management District (BAAQMD) *CEQA Guidelines*, construction-period air emissions are considered less than significant if effective control measures are implemented such as those listed in Mitigation Measure 2, on pages 75 and 76, which would require all debris to be covered and to maintain and operate

¹⁷ Bay Area Air Quality Management District, *BAAQMD CEQA Guidelines, Assessing the Air Quality Impacts of Projects and Plans*, April 1996, Revised December 1999.

construction equipment so as to minimize exhaust emissions of particulates and other pollutants. As a result, construction emissions will not be discussed in the EIR.

Operations Emissions

Project operation would affect local air quality by increasing the number of vehicles on nearby roads and at the project site, and by introducing stationary emissions to the project site. Transportation sources are the primary source of operational project-related emissions.¹⁸ Stationary source emissions, generated by combustion of natural gas for building space and water heating, would be less than significant. The BAAQMD has established thresholds for projects requiring its review for potential air quality impacts. These thresholds are based on the minimum size projects which the BAAQMD considers capable of producing air quality problems due to vehicular emissions. The proposed project would not exceed this minimum standard. Therefore, the proposed project would not have a significant adverse impact on air quality, and air quality will not be analyzed in the EIR.

Shadow

Section 295 of the *Planning Code* was adopted in response to Proposition K (passed November 1984) in order to protect certain public open spaces under the jurisdiction of the Recreation and Park Department from shadowing by new structures during the period between one hour after sunrise and one hour before sunset, year round. *Planning Code* Section 295 restricts net new shadow on public open spaces under the jurisdiction of, or to be acquired by, the Recreation and Park Commission by any structure exceeding 40 feet unless the Planning Commission, in consultation with the Recreation and Park Commission, finds the impact to be less than significant.

To determine whether this project would conform to Section 295, a shadow fan was prepared by Planning Department staff.¹⁹ The proposed project would construct several new buildings ranging from 35 feet to 65 feet tall on the largely vacant mid-block project site as well as preserving the two existing historic office buildings. The shadow fan indicated that the proposed project's shadows could not reach any site under Recreation and Park Commission jurisdiction. Due to its location, the proposed project would not affect any land under the jurisdiction of the Recreation and Parks

¹⁸ Ibid.

¹⁹ Mat Snyder, San Francisco Planning Department, letter to Michael Yarne, Martin McNerney Properties, LLC, dated July 11, 2006. This letter is on file at the Planning Department, 1660 Mission Street, Suite 500, San Francisco, and is available for public review, by appointment, as part of the project file No. 2002.1302E.

Department. Esprit Park is located approximately three blocks west of the proposed project, beyond the reach of any shadows generated by the proposed project.

Publicly accessible non-Proposition K property in the vicinity of the project site consists of adjacent streets and sidewalks. The proposed project would at times shade portions of nearby streets and sidewalks. Morning shadows would shade Third Street and its sidewalk. Afternoon shadows would shade Illinois Street and its sidewalks. Any net new shadows created by the proposed project would not shade public areas subject to Section 295 of the *Planning Code*. For the reasons discussed above, shadow will not be analyzed in the EIR.

Wind

Wind conditions partly determine pedestrian comfort on sidewalks and in other public areas. Tall buildings can redirect wind flows around and down to street level, resulting in increased wind speed and turbulence at street level. The existing buildings on the project site are approximately 20 and 40 feet in height, however, much of the site is vacant. The new buildings of the proposed project would be up to a maximum of 50 feet along Third Street and approximately 65 feet on Illinois Street. These heights would not substantially alter pedestrian wind levels. The buildings of the proposed project would not cause wind levels to exceed the *Planning Code*-established comfort criteria because of the presence of nearby buildings of similar or greater height, and the proposed buildings' exposure, massing, and orientation could not generate such adverse and significant wind conditions. Wind effects will not be assessed in the EIR.

7. <u>Utilities/Public Services</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a. Breach published national, state, or local standards relating to solid waste or litter control?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Extend a sewer trunk line with capacity to serve new development?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially increase demand for schools, recreation, or other public facilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
d. Require major expansion of power, water, or communications facilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

The proposed site is within an urban area that has been and is currently served by utilities and public services, including fire, police, schools, solid waste collection, recreational facilities, and water, gas, and electricity services. The proposed project would increase demand for and use of public services and utilities on the project site, but not in excess of amounts expected and provided for in the project area and substantial expansion of public service or utilities in the area is not anticipated.

Solid Waste

San Francisco's solid waste is disposed of at the Altamont Landfill. A substantial expansion of the landfill was approved in 1997 and this expansion of capacity will be able to accommodate San Francisco's solid waste stream well into the future. The solid waste associated with the project construction and operation would not substantially affect the projected life of the Altamont Landfill. As a result, the proposed project would not create a significant solid waste impact and will not be discussed in the EIR.

Sewer and Wastewater Treatment Plant Capacity

The project site is served by San Francisco's combined sewer system, which handles both sewage and storm water runoff. No major new sewer construction would be needed to serve the proposed project. Wastewater treatment for the east side of the City is provided primarily by the Southeast Water Pollution Control Plant. The proposed project would meet wastewater pre-treatment requirements of the San Francisco Public Utilities Commission, as required by the San Francisco Industrial Waste Ordinance.²⁰ The proposed project would have little effect on the total wastewater volume discharged through the combined sewer system, particularly since storm water runoff contributes greatly to the total flow, and the site is already paved (resulting in maximum storm water flows). The proposed project would not substantially increase demand for wastewater treatment nor result in a significant impact. Wastewater effects will not be analyzed further in the EIR.

Police and Fire Protection

The project site presently receives police and fire protection services, and the addition of approximately 315 residents and approximately 52 employees under the proposed project could

²⁰ City and County of San Francisco, Ordinance No. 19-92, San Francisco Municipal Code (Public Works), Part II, Chapter X, Article 4.1 (amended), January 13, 1992.

increase the demand for fire and police services in the area. Police service to the site is provided by the Southern Station located at 850 Bryant Street serving the southern part of the City from the Ferry Building to Sixteenth Street on the eastern side of the City. Fire service to the site is provided by Fire Station Engine No. 29, located at 299 Vermont Street at Sixteenth Street. Although the proposed project could increase the number of calls received from the area by the police and fire departments as a result of the increased concentration of activity on the project site, the increase would not be substantial in light of the existing development and demand for fire protection services in the Central Waterfront area. Growth in demand for police and fire department service areas is monitored annually by the departments, and additional staffing, equipment, and facility needs are addressed each year through the City's annual operating and capital budget process. For these reasons, the project's effect on police protection and fire prevention services would not be significant and will not be discussed in the EIR.

Schools and Recreation Facilities

Some of the new residents of the proposed project's 179 housing units may be families with school-age children. The proposed project would generate approximately 36 students.²¹ The nearest elementary school is the Daniel Webster Elementary School at 461 Texas Street. The nearest middle school is the Potrero Hill Junior High School at 1695 Eighteenth Street. The closest public high school is Mission High School at 3750 Eighteenth Street. There are four other alternative high schools in the vicinity. The International Studies Academy is located at 693 Vermont Street, but plans to relocate to the Enola Maxwell Middle School located at 655 Deharo Street (which in turn will be closed as part of the current restructuring). The John O'Connell High School of Technology is located at 2355 Folsom Street. Downtown High School is located at 110 Bartlett Street which will be moved to the current site of the International Studies Academy at 693 Vermont Street in the San Francisco Unified

²¹ The California State Department of Education uses the statewide student generation rates they developed from statewide sampling across the full spectrum of types of dwelling units of 0.5 elementary or middle school students and 0.2 high school students per dwelling unit. These rates are used for facility planning purposes by Districts that have not developed their own rates. Since the state rates do not reflect the concentrated urban conditions, the San Francisco Unified School District (SFUSD) uses a student generation rate of 0.203 students per new housing unit. See discussion in the December 17, 2005 *Eastern Neighborhoods Rezoning and Community Plan Initial Study* (Case No. 2004.0160E), and the *Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final EIS/EIR*, March 2004; p. 4-19. Available for review by appointment at the Planning Department, 1660 Mission Street, San Francisco, in case No.2004.048E and at www.transbayproject.org.

School District's (SFUSD's) current consolidation and closure planning.²² The Thurgood Marshall Academic Alternative High School is located at 45 Conkling to the south.

The SFUSD is currently not a growth district, and facilities throughout the City and County are generally underutilized. The SFUSD currently has more classrooms district-wide than it needs, and the surplus is predicted to increase over the next ten years as enrollment shrinks.²³ Due to declining enrollments and revenue issues, the SFUSD decided in January 2006 to close and merge schools.²⁴ The SFUSD has no plans to construct new schools near the project site. An increase in students associated with the proposed project in light of declining annual enrollment would not substantially change the demand for schools, and the SFUSD would be able to serve the students generated by the proposed project.²⁵ The proposed project would be assessed \$1.72 per gross square foot of residential space. These funds could be used to rehabilitate underutilized schools to accommodate the additional students generated by the project. Thus, the proposed project would not create a substantial or adverse fiscal or service impact to San Francisco schools. For the reasons discussed above, school impacts will not be assessed in the EIR.

Power and Communications Facilities

The proposed buildings would require typical utility connections and would tap into existing power and communications grids. Any relocation would be completed without interruption of service to adjacent properties. San Francisco consumers have recently experienced rising energy costs and uncertainties regarding the supply of electricity. The root causes of these conditions are under investigation and are the subject of much debate. Part of the problem is thought to be that the State does not generate sufficient energy to meet its demand and must import energy from outside sources. Another part of the problem may be the lack of cost controls as a result of deregulation. The California Energy Commission (CEC) is currently considering applications for the development of new power-generating facilities in San Francisco, the Bay Area, and elsewhere in the State. These facilities would eventually increase the supply of additional energy. These efforts, together with conservation,

²² San Francisco Unified School District, *School Closure Decision*, January 19, 2006, http://portal.sfusd.edu/data/home/School_Closure_Decisions.pdf.

²³ *San Francisco Unified School District, Facilities Master Plan, 2003.*

²⁴ Op. cit., San Francisco Unified School District, *School Closure Decision*, January 19, 2006, http://portal.sfusd.edu/data/home/School_Closure_Decisions.pdf.

²⁵ Ms. Lorna Ho, Special Assistant to the Superintendent, San Francisco Unified School District, telephone conversation, Scott T. Edmondson, AICP, February 1, 2006.

will be part of the statewide effort to achieve sufficiency of energy supply relative to demand. However, the project-generated demand for electricity would be small in the context of the overall demand within San Francisco and the State, and would not itself require a major expansion of power facilities. No new power or communications facilities would be necessary as a result of project implementation, and thus the proposed project would not result in a significant physical environmental effect. For these reasons, this topic will not be assessed further in the EIR.

Water Supply Facilities

The proposed project would generate an estimated demand for about 21,335 gallons per day.²⁶ There is currently limited consumption of water on the site. The proposed project would incrementally increase the demand for water in San Francisco. The new construction would be designed to incorporate water-conserving measures, such as low-flush toilets and urinals, as required by the *California State Building Code* Section 402.0(c). The projected water consumption for the proposed project would be an increment of total water consumption anticipated between 2005 and 2030 in the San Francisco Public Utilities Commission's *2005 Urban Water Management Plan*, and an adequate water supply would be available for the project.²⁷

Because project water demand could be accommodated by the existing and planned supply, as anticipated under the San Francisco Public Utility Commission's *2005 Urban Water Management Plan*, and would use best-practices water conservation devices, the proposed project would not result in a substantial or adverse increase in water use. Therefore, the proposed project would not result in a significant environmental impact on water use and will not be addressed in the EIR.

²⁶ San Francisco Public Utilities Commission, *2005 Urban Water Management Plan for the City and County of San Francisco*, December 2005, p. 40. http://sfwater.org/detail.cfm/MC_ID/13/MSD_ID/165/MTO_ID/286/C_ID/2776. The current gross per capita consumption rate for residents in San Francisco is 62 gallons per day per capita (gpcd). Non residential water use is estimated at 95 gallons per day per 1,000 sq.ft. of retail land use (San Francisco Planning Department, *Mission Bay Final EIR*, Table L.3: Mission Bay Project Total Daily Water Demand, p. L.9). The 62 gpcd residential rate is used as a proxy measure for the day-care population's water use.

²⁷ The San Francisco Public Utility Commission's *2005 Urban Water Management Plan* estimates water demand and supply for the 2005-2030 period. Their estimates are based on, in part, the SF Planning Department's current long range growth projections -- *Land Use Allocation 2002* -- an estimate of total growth expected in the City and County of San Francisco from 2000 – 2025. These projections have similar employment growth and approximately 15,000 higher household growth than ABAG Projections 2002. The SFPUC extended the Planning Department's projection from 2025 to 2030.

- | 8. <u>Biology</u> – Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|--|--------------------------|-------------------------------------|-------------------------------------|
| a. Substantially affect a rare or endangered species of animal or plant, or the habitat of the species? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Substantially diminish habitat for fish, wildlife, or plants, or interfere substantially with the movement of any resident or migratory fish or wildlife species? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Require removal of substantial numbers of mature, scenic trees? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

The mid-block project site is a former scrap metal reclamation yard but now is largely vacant, exposing previous building pads. There are two existing buildings with footprints occupying smaller sections of the project site. The project site is within a developed area of the City and does not provide habitat for any rare, threatened, or endangered plant species. There are no trees on the project site. No other important biological resources are likely since the site has been disturbed by humans for many years. The proposed project include additional landscaping, which may provide a small amount of additional habitat at the site, but this would not have an adverse effect on any rare, threatened, or endangered plant species. Therefore, there is no potential for the proposed project to disturb or substantially and adversely affect important or protected biological resources. Biological resources will not be analyzed further in the EIR.

- | 9. <u>Geology/Topography</u> – Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|---|--------------------------|-------------------------------------|-------------------------------------|
| a. Expose people or structures to major geologic hazards (slides, subsidence, erosion, and liquefaction)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Change substantially the topography or any unique geologic or physical features of the site? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Introduction

The site vicinity and surrounding sidewalks generally slope downward toward the northeast at an average inclination of about 30:1 (horizontal:vertical). A geotechnical report, including soil borings,

was prepared by a California-licensed geotechnical engineer for the proposed project.²⁸ The geotechnical report includes a site reconnaissance, testing and laboratory analysis of soil samples, a geologic and seismic hazard evaluation of the site, and a review of available subsurface information at the site and its vicinity. The purpose of the study was to evaluate subsurface conditions at the site and present preliminary geotechnical conclusions and recommendations for evaluating the feasibility of constructing the proposed project on the project site. The conclusions of the geotechnical study are included in the discussion below.

Site Conditions

The site is blanketed with about 2.5 to 9 feet of heterogeneous, loose to medium dense sandy fill with varying amounts of clay, gravel, and debris. The fill thickness increases moving toward the north and east. The fill was generally underlain by bedrock of the Franciscan Formation consisting of soft to firm, friable to weak, moderately weathered serpentine (see discussion under Asbestos, page 66 in the Hazards section). Groundwater was encountered at a depth of 20.5 feet below ground surface.

Seismically-Induced Hazards

It is likely that the site would experience periodic minor earthquakes, and possibly a major (moment magnitude²⁹ [Mw] greater than 7) earthquake, on one or more of the nearby faults during the life of the proposed development. The project site is located approximately eight miles from the San Andreas Fault, the closest mapped active fault in the project vicinity. The Working Group for California Earthquake Probabilities estimated a 70 percent probability of an earthquake of Mw 6.7 or greater occurring on one of the major faults in the Bay Area within the next 30 years.

The site is not within an Earthquake Fault Zone, as defined by the Alquist-Priolo Earthquake Fault Zoning Act, and no known fault or potentially active fault exists on the site. In a seismically active area, such as the San Francisco Bay area, the remote possibility exists for future faulting in areas

²⁸ Earth Mechanics Consulting Engineers, *Geotechnical Investigation, Proposed Residential Development, 2225 Third Street, San Francisco, California*, prepared for Martin Building Company, September 16, 2002. This report is on file with the Planning Department, 1660 Mission Street, Suite 500, San Francisco, and is available for public review, by appointment, as part of in Project File No. 2002.1302E.

²⁹ Moment magnitude is an energy-based scale and provides a physically meaningful measure of the size of a faulting event. Moment magnitude is directly related to average slip and fault rupture area.

where no faults previously existed. The geotechnical study found no evidence of active faulting on the site and concludes that the risk of surface faulting at the site is low. However, during an earthquake, the ground at the proposed development site would experience very strong shaking. Strong shaking during an earthquake can result in ground failure associated with soil liquefaction,³⁰ lateral spreading,³¹ and cyclic densification.³²

The project site is not within a Special Geologic Study Area as shown in the Community Safety Element of the San Francisco General Plan (Map 4), designated as potentially liquefiable on a map titled "Zones of Liquefaction Potential, City and County of San Francisco," published by the California Department of Conservation, Division of Mines and Geology. Based on the soil borings conducted at the site and records of borings at nearby sites, the geotechnical report found that the soils beneath the project site have a very low potential for liquefaction and lateral spreading. Thus, the soils at the project site have a low liquefaction potential and the risks of ground failure during the strong groundshaking of an earthquake would be a less-than-significant impact.

The project site is not in an area subject to landslide, tsunami run-up, or reservoir inundation hazards (Maps 5, 6, and 7 in the Community Safety Element) and therefore would not expose people or structures to those hazards.³³

Geotechnical Recommendations

The geotechnical investigation report found that the proposed project would be feasible from a geotechnical standpoint and that construction would face the following geotechnical issues: 1) the potential for strong ground shaking during an earthquake; 2) foundation support and settlement; and 3) shoring of the sides of the excavation.

³⁰ Liquefaction is a phenomenon in which saturated, cohesionless soil experiences a temporary loss of strength due to the buildup of excess pore water pressure, especially during cyclic loading such as that induced by earthquakes. Soil most susceptible to liquefaction is loose, clean, saturated, uniformly graded, fine-grained sand and silt of low plasticity that is relatively free of clay.

³¹ Lateral spreading is a phenomenon in which surficial soil displaces along a shear zone that has formed within an underlying liquefied layer. Upon reaching mobilization, the surficial blocks are transported downslope or in the direction of a free face by earthquake and gravitational forces.

³² Cyclic densification is a phenomenon in which non-saturated, cohesionless soil is densified by earthquake vibrations, causing settlement.

³³ City and County of San Francisco, *Community Safety Element, San Francisco General Plan*, April 1997.

The conclusions of the geotechnical study to address these issues are summarized below. Subsequent design and development of the building plans may refine the proposed methods. In addition, the final building plans would be reviewed by the Department of Building Inspection (DBI), and they could require that additional site-specific soils report(s) – or other studies – be prepared in conjunction with permit applications, as needed. The summary recommendations of the geotechnical report follow below:

- *Site Preparation.* Remove all existing slabs, foundations, retaining walls, underground utilities and organic matter within the building footprint during excavation.
- *Foundation.* Use a mat foundation designed so the average load does not exceed 3,000 pounds per square foot (psf) loads (dead plus live loads).
- *Underpinning Design.* During excavations adjacent to existing structures or footings, care should be taken to adequately support existing structures. Underpinning and temporary shoring may be required.
- *Temporary Slopes.* Temporary slopes should be laid back or shored in conformance with Occupational Safety and Health Administration (OSHA) standards.
- *Seismic Design.* The design should be in accordance with the 2001 San Francisco Building Code (Seismic Zone Factor "Z" of 0.4, Soil Profile Type S_C [of the 1997 UBC], Near Source Factors N_a of 1.0 and N_v of 1.08).
- *Geotechnical Engineering During Construction.* The geotechnical consultants should review the final project plans and specifications to check that they are in general conformance with the intent of the recommendations.

Excavation

Construction of the below-grade parking garage for the proposed project would require excavation of approximately 16,580 cubic yards of soil. Soil removed from the site would be trucked to an appropriate landfill following testing pursuant to City and State requirements. The proposed foundation would consist of drilled-in-place piers with 12-inch-wide by 24-inch-deep spread-foot foundations below a 30-inch-thick concrete mat slab foundation. Where adjacent buildings need to be underpinned, the piers may be set back from the adjoining building walls and cantilever³⁴ the mat to the wall. Subsurface utilities would not exceed a 24-inch depth below the mat foundation.

³⁴ Supported at one end and carry a load at the other end.

Surface and Groundwater

As discussed above, groundwater may exist at a depth of 20.5 feet below ground surface. Project excavation would extend as deep as approximately 15 feet below the high point on the Third Street side of the site. Encountering groundwater during excavation would not be expected. As a result, dewatering would not be necessary.

The final building plans would be reviewed by the DBI. In reviewing building plans, DBI refers to a variety of information sources to determine existing hazards and assess requirements for mitigation. Sources reviewed include maps of Special Geologic Study Areas and known landslide areas in San Francisco as well as the building inspector's working knowledge of areas of special geologic concern. The above-referenced geotechnical investigation would be available for use by DBI during its review of building permits for the site. Also, DBI could require that additional site-specific soils report(s) be prepared in conjunction with permit applications, as needed.

To ensure compliance with all San Francisco Building Code provisions regarding structural safety, when DBI reviews the geotechnical report and building plans for any project, including the proposed project, DBI will determine necessary engineering and design features for the proposed project to reduce potential damage to structures from groundshaking and other seismic hazards. Therefore, potential damage to structures from geologic hazards on a project site would be mitigated through the DBI review of the building permit application pursuant to its implementation of the Building Code. For all of the above reasons, the proposed project would not result in a significant impact related to geology and soils.

In view of the above, the project would not have a significant impact regarding geology, seismicity, soils, or dewatering and will not be analyzed further in the EIR.

10. <u>Water</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a. Substantially degrade water quality, or contaminate a public water supply?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
c. Cause substantial flooding, erosion or siltation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

The project site is covered by impervious surfaces, consisting of the existing buildings and previously compacted soils from demolished buildings and some paved areas. Impervious surface coverage would most likely increase under the proposed project, but would not be expected to substantially and adversely alter or increase the amount or pattern of site runoff. However, with development, the run-off would be more controlled through building and site design. Project-related wastewater and storm water would continue to flow to the combined sewer system. During construction, requirements to reduce erosion would be implemented pursuant to *California Building Code* Chapter 33, Excavation and Grading. Given that most of the site is covered by the existing buildings and compacted areas from previous buildings, and that the building and site design of the proposed project would be expected to control run off, impacts on water quality and flooding would be less than significant.

The project-related wastewater and storm water that would continue to flow to the City's combined sewer system would be treated to standards contained in the City's National Pollutant Discharge Elimination System (NPDES) Permit for the Southeast Water Pollution Control Plant prior to discharge. During operations, the proposed project would comply with all local wastewater discharge requirements.

As noted in the above section, the project would require excavation of approximately 16,580 cubic yards of soil. This excavation would not be expected to affect groundwater as discussed above in the "Excavation" subsection of the Geology/Topography section, on page 60 of this Initial Study. The proposed project would not involve use of groundwater or substantially alter the impervious surfaces on the site. Therefore, groundwater resources would not be substantially degraded or depleted, and the proposed project would not interfere substantially with groundwater recharge and would not

result in significant adverse impacts on surface water or groundwater quality. This topic will not be discussed in the EIR.

11. <u>Energy/Natural Resources</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a. Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Have a substantial effect on the potential use, extraction, or depletion of a natural resource?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Energy Use

The proposed project would include approximately 242,185 square feet of new residential and retail uses. Hence, the proposed project's demand for electricity would be negligible in the context of the overall demand of San Francisco and California. The occupancy of the proposed project would not result in the use of large amounts of fuel, water, or energy in the context of energy use throughout the City and region. The proposed project would meet current state and local standards regarding energy consumption, including Title 24 of the *California Code of Regulations* enforced by the Department of Building Inspection. Hence, the proposed project would not encourage activities that result in wasteful use of fuel, water, or energy. Thus, the proposed project would not result in an associated significant physical environmental effect due to increased energy demand

Natural Resource Use

The proposed project's 242,185 square feet would not use substantial quantities of natural resources. Therefore, the proposed project would not have a significant impact on the use, extraction, or depletion of natural resources.

For the reasons discussed above, the proposed project would not cause a wasteful use of energy, and would have a less-than-significant impact on energy and natural resources. These topics will not be discussed in the EIR.

12. <u>Hazards</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a. Create a potential public health hazard or involve the use, production, or disposal of materials which pose a hazard to people or animal or plant populations in the area affected?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Interfere with emergency response plans or emergency evacuation plans?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
c. Create a potentially substantial fire hazard?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

This section addresses the potential hazards on the project site including asbestos and lead-based paint in the existing buildings, contaminants in the soil, emergency response plans, and fire hazards.

The project site is located east or "bayward" of the original shore of the San Francisco Bay. Therefore, it is within the defined limits of Article 20 of the Public Works Code (the Maher Ordinance), and the requirements of the Maher Ordinance would apply. The City adopted the Maher Ordinance (Ordinance 253_86, signed by the Mayor on June 27, 1986) and it requires analyzing soil for hazardous wastes within specified areas and on sites specifically designated by the Director of Public Works when over 50 cubic yards of soil is to be disturbed. The ordinance specifically includes sites, such as the project site, which are bayward of the high tide line (as shown on maps available from the DPW). Where hazardous wastes are found in excess of state or federal standards, the sponsor would be required to submit a site mitigation plan (SMP) to the appropriate state or federal agency(ies), and to implement an approved SMP prior to issuance of any building permit. Where toxics are found for which no standards are established, the sponsor would request a determination from state and federal agencies as to whether an SMP is needed.

A Phase I Environmental Site Assessment (ESA) of the project site was conducted by ACC Environmental Consultants in July 2002.³⁵ The Phase I ESA was conducted to identify possible environmental concerns related to on-site or nearby chemical use, storage, handling, spillage, and/or on-site disposal, with particular focus on potential degradation of soil and groundwater quality.

³⁵ ACC Environmental Consultants. *Phase I Environmental Assessment, 2225-2255 Third Street, San Francisco California*, July 9, 2002. This report is on file and available for public review by appointment at the Planning Department, 1660 Mission Street, Fifth Floor, San Francisco, as part of Project No. 2002.1302E.

In summary, the Phase I ESA identified elevated levels of total lead in surface and shallow soils throughout the project site; did not observe suspect asbestos-containing building materials; and found documentation of releases of hazardous substances and/or petroleum products within 0.5 mile of the project site and other sites located within 0.125-mile radius of the project site without evidence that plumes originating from any of these sites have migrated to the subject property. The subsections below describe the results of the Phase I ESA in more detail.

Lead

The Phase I ESA identified elevated levels of total lead in surface and shallow soils throughout the project site. Chipped and/or peeling paint was observed on a wooden door at 2225 Third Street and that the buildings were constructed prior to 1978 and therefore may have been painted with lead-based paint. Subsequent to the Phase I ESA, a Work Plan was executed to further characterize the extent of the elevated levels of lead contamination.³⁶ The Phase I ESA found elevated levels of lead in surface and shallow soils at a depth of one foot. Lead levels ranged from 6,100 to 23,000 parts per million. Lead in the soil could pose a hazard related to the excavation of approximately 16,580 cubic yards of soil anticipated during site preparation and related to construction of the underground garage. ACC developed a Mitigation Plan that would remove and stockpile the overlying gravel and excavate the top six inches in two 20-foot by 20-foot areas and excavate to a depth of one to one and one-quarter feet in an area eight feet wide by eight feet long.³⁷ Excavated soils would be disposed off-site properly at a regulated landfill. Along with the Mitigation Plan, a Health and Safety Plan for the excavation was also prepared.³⁸ This plan specifies measures to be followed during excavation, including dust control, confirmation soil sampling, and air monitoring. The San Francisco DPH, Environmental Health-Hazardous Waste Unit has reviewed the documents discussed above and they have approved the mitigation plan. They expect that a Final Health and Safety Plan would be submitted two weeks before soil remediation work begins and then contacted one week before work

³⁶ ACC Environmental Consultants, *Work Plan – Additional Site Investigation*, January 10, 2003; and *Additional Site Investigation Results*, February 21, 2003. This report is on file and available for public review by appointment at the Planning Department, 1660 Mission Street, Fifth Floor, San Francisco, as part of Project No. 2002.1302E.

³⁷ ACC Environmental Consultants, *Mitigation Plan – 2225 to 2255 Third Street, San Francisco California*, November 13, 2003. This report is on file and available for public review by appointment at the Planning Department, 1660 Mission Street, Fifth Floor, San Francisco, as part of Project No. 2002.1302E.

³⁸ ACC Environmental Consultants, *Soil Excavation Health and Safety Plan – 2225 to 2255 Third Street, San Francisco California*, November 13, 2003. This report is on file and available for public review by appointment at the Planning Department, 1660 Mission Street, Fifth Floor, San Francisco, as part of Project No. 2002.1302E.

commences to schedule inspections.³⁹ The project sponsor has agreed to implement Mitigation Measure 3, pages 76 to 78, in the Mitigation Measures section, to ensure that any potential impacts due to the presence of total lead or other hazardous materials in the soils of the project site would be reduced to a less-than-significant level and will not be discussed in the EIR.

Asbestos

As discussed above, the Phase I study did not find evidence of asbestos-containing materials. However, the existing buildings on the project site were constructed at a period of time when asbestos was used in building materials. Section 19827.5 of the California Health and Safety Code, adopted January 1, 1991, requires that local agencies not issue demolition or alteration permits until an applicant has demonstrated compliance with notification requirements under applicable Federal regulations regarding hazardous air pollutants, including asbestos. The proposed project would not demolish either of the existing buildings (2225 and 2255 Third Street), but would undertake substantial renovation. The BAAQMD is vested by the California legislature with authority to regulate airborne pollutants, including asbestos, through both inspection and law enforcement, and is to be notified ten days in advance of any proposed demolition or abatement work.

Notification includes the names and addresses of operations and persons responsible; description and location of the structure to be demolished/altered including size, age and prior use, and the approximate amount of friable asbestos; scheduled starting and completion dates of demolition or abatement; nature of planned work and methods to be employed; procedures to be employed to meet BAAQMD requirements; and the name and location of the waste disposal site to be used. The BAAQMD randomly inspects asbestos removal operations. In addition, the BAAQMD will inspect any removal operation for which a complaint has been received.

The local office of the State OSHA must be notified of asbestos abatement to be carried out. Asbestos abatement contractors must follow state regulations contained in 8CCR1529 and 8CCR341.6 through 341.14 where there is asbestos-related work involving 100 square feet or more of asbestos-containing material. Asbestos removal contractors must be certified as such by the

³⁹ Rajiv Bhatia, M.D., Director, Occupational Safety and Environmental Health Section, San Francisco Department of Public Health, letter to Patrick Banks, Martin Building Company, November 26, 2003. This report is on file and available for public review by appointment at the Planning Department, 1660 Mission Street, Fifth Floor, San Francisco, as part of Project No. 2002.1302E.

Contractors Licensing Board of the State of California. The owner of the property where abatement is to occur must have a Hazardous Waste Generator Number assigned by and registered with the Office of the California Department of Health Services in Sacramento. The contractor and hauler of the material are required to file a Hazardous Waste Manifest which details the hauling of the material from the site and the disposal of it. Pursuant to California law, the DBI would not issue the required permit until the applicant has complied with the notice requirements described above.

These regulations and procedures, already established as a part of the permit review process, would ensure that any potential impacts due to asbestos would be reduced to a level of insignificance. The presence of asbestos on the project site would not be considered a potentially significant impact and will not be assessed further in the EIR.

As discussed above in the Section 9, Geology/Topography, of this Initial Study, the 2.5 to 9 feet of fill material on the site is generally underlain by bedrock of the Franciscan Formation consisting of soft to firm, friable to weak, moderately weathered serpentine. Thus, some of the 16,580 cubic yards of soil that the proposed project would excavate could be serpentine rock which may contain a naturally occurring form of asbestos. Because asbestos poses a hazard when it is in a friable (crushed) condition and becomes airborne, the project sponsor has agreed to implement Mitigation Measure 2, on page 75 and 76. This Construction Air Quality mitigation measure requires that the project contractor water the site during excavation activities at least twice daily, or more frequently if necessary to prohibit visible dust emissions (which might indicate emission of non-visible dust), and take other steps to minimize dust generation during excavation, storage, and transport. This action would also reduce any potential hazards from crushed serpentine rock to a less-than-significant level. Excavated materials containing over one percent friable asbestos would be treated as hazardous waste, and would be transported and disposed of in accordance with applicable State and Federal regulations. These procedures are intended to mitigate any potential health risks related to chrysotile asbestos, which may or may not be located on the site.

Lead-based Paint

The Phase I study found some evidence that lead-based paint may be found in the existing buildings and proposed for renovation as part of the project. Renovation must comply with Section 3407 of the *San Francisco Building Code*, Work Practices for Lead-based Paint on Pre-1979 Buildings and

Steel Structures. Where there is any work that may disturb or remove lead-based paint on the exterior of any building, or the interior of occupied buildings (E3, R1, or R3 occupancy classifications) built prior to or on December 31, 1978, Section 3407 requires specific notification and work standards, and identifies prohibited work methods and penalties.

Section 3407 applies to buildings or steel structures on which original construction was completed prior to 1979 (which are assumed to have lead-based paint on their surfaces). The ordinance contains performance standards, including establishment of containment barriers, at least as effective at protecting human health and the environment as those in the Department of Housing and Urban Development (HUD) Guidelines (the most recent Guidelines for Evaluation and Control of Lead-Based Paint Hazards) and identifies prohibited practices that may not be used in disturbance or removal of lead-based paint. Any person performing work subject to the ordinance shall make all reasonable efforts to prevent migration of lead-based paint contaminants beyond containment barriers during the course of the work, and any person performing regulated work shall make all reasonable efforts to remove all visible lead-based paint contaminants from all regulated areas of the property prior to completion of the work.

The ordinance also includes notification requirements, contents of notice, and requirements for signs. Prior to commencement of exterior work that disturbs or removes 100 or more square feet or 100 or more linear feet of lead-based paint in total, the responsible party must provide the Director of the DBI with written notice that describes the address and location of the project; the scope and specific location of the work; the methods and tools for paint disturbance and/or removal; the approximate age of the structure; anticipated job start and completion dates for the work; whether the building is residential or nonresidential, and whether it is owner-occupied or rental property, the dates by which the responsible party has or will fulfill any tenant or adjacent property notification requirements; and the name, address, telephone number, and pager number of the party who will perform the work. (Further notice requirements include Post Sign notifying public of restricted access to work area; Notice to Residential Occupants; Early Commencement of Work [by Owner, or Requested by Residential Occupant]). The ordinance contains provisions regarding inspection and sampling for compliance by DBI and enforcement, and describes penalties for non-compliance with the requirements of the ordinance.

These regulations and procedures by the *San Francisco Building Code* would ensure that potential impacts of demolition or renovation, due to lead-based paint, would be reduced to a level of insignificance. The presence of lead-based paint on the project site would not be considered a potentially significant impact and will not be discussed in the EIR.

Other Potential Hazardous Materials

Other potential hazardous building materials such as PCB-containing electrical equipment could pose health threats for construction workers but would be mitigated by standard building surveys and abatement measures (see Mitigation Measure 4, page 78). The topic will not be addressed in the EIR.

Hazardous Materials Use

Regarding the potential for public health hazards, the proposed project would involve primarily residential uses, with some ground-floor restaurant, retail, and day-care uses. These land uses would typically include relatively small quantities of hazardous materials for routine household and business purposes. Hazardous materials use by the proposed project would not pose any substantial public health or safety hazards related to hazardous materials and will not be discussed in the EIR.

Fire Hazards and Emergency Response and Evacuation Plans

San Francisco ensures fire safety primarily through provisions of the Building Code and the Fire Code. Existing and new buildings are required to meet standards contained in these codes. In addition, the final building plans for any new residential project greater than two units are reviewed by the San Francisco Fire Department (as well as the DBI) in order to ensure conformance with these provisions. The proposed project would conform to these standards, which (depending on the building type) may also include development of an emergency procedure manual and an exit drill plan. Any potential fire hazards and emergency response impacts would be mitigated during the permit review process, and they will not be assessed in the EIR.

In conclusion, potential public health and safety hazards related to the possible presence of total lead on the project site, and potential fire hazards for the proposed project would be reduced to a less-than-significant level as a result of regulations and procedures already established as part of the

review process for building permits and mitigations proposed as part of the project. For the reasons discussed above, potential public health and safety hazards will not be assessed further in the EIR.

13. <u>Cultural</u> – Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
a. Disrupt or adversely affect a prehistoric or historic archeological site or a property of historic or cultural significance to a community, ethnic or social group; or a paleontological site except as a part of a scientific study?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with established recreational, educational, religious, or scientific uses of the area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
c. Conflict with the preservation of buildings subject to the provisions of Article 10 or (proposed) Article 11 of the City Planning Code?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Archeological Resources

The project site is mostly vacant aside from two existing buildings. The undeveloped areas include bare cement foundations from previously demolished buildings. The proposed project would excavate approximately 16,580 cubic yards of soil during site preparation and site work for the underground parking garage. Although the project site already has been disturbed, it is unlikely but still possible that subsurface archeological resources may be discovered on the site during project excavation or grading. Mitigation Measure 5, pages 78 and 79, listed in the Mitigation Measures section, would reduce potential impacts on significant archeological resources, if encountered during construction, to a less-than-significant level. Thus, archeological resources will not be addressed in the EIR.

Architectural and Historical Resources

The project site is vacant except for two existing historic buildings fronting Third Street (2225 and 2255 Third Street). Built in 1924, the three-story, freestanding building at 2225 Third Street is constructed of unreinforced masonry and faced in common bond brickwork. The elevation of this lot is lower than that of the street, and a basement is visible from three sides of this building. Its Third Street façade features square, multi-light, industrial steel sash windows with sills and soldier arch lintels. A pedestrian door with transom and a vehicular, double wood door faced with diagonal

beadboard and an integrated transom are located at the ground level. Located on the Third Street façade between the first two stories is a painted sign identifying this scrap iron and scrap metals business as "Jos. Levin & Sons." A second painted sign is located on the plain southern façade. Eight tie rod bolts extend through the northwest corner and the center of the Third Street façade. The low-pitched gable roof is hidden behind a similarly low-pitched brick parapet, with a soldier course of brick inset at the cornice line. A truck scale and gatekeeper's shed are located on the northern side of the lot between this building and the building located at 2201 Third Street.

Built in 1922, this single-story, freestanding historic building at 2255 Third Street is constructed of un-reinforced masonry featuring common bond brickwork. The Third Street façade features three bays of industrial steel sash pivot windows with brick lintels and sills and one loading bay that has been in-filled with a pedestrian door and brushed steel windows. A metal canopy, of modern design, protects this entrance. A row of steel beam-ends is located below the parapet on the northern façade. A plain stepped parapet with a metal cap conceals the flat roof.

Over time, the original warehouse uses were changed to offices use. While these two historic buildings are not listed in the National Register of Historic Places or Article 10 of the *Planning Code* (which concerns sites such as designated City Landmarks and buildings within Historic Districts), both buildings were surveyed as part of a cultural resource survey of the Central Waterfront planning area conducted by the San Francisco Planning Department in 2001. This survey was approved by the San Francisco Planning Commission on June 13, 2002 by Motion No. 16431.⁴⁰ It is, therefore, an adopted local register of historical resources, as defined in Section 5020.1(k) of the Public Resources Code. For the survey, two forms were completed for every property within the survey area boundaries over 45 years in age: (1) A Primary Record and (2) a Building Structure and Object Record. Both buildings were granted a National Register of Historic Places (NRHP) Status Code of '4D2,' which means that both buildings are contributors to a fully documented historic district that may become eligible for listing in the National Register when more historical or architectural

⁴⁰ http://www.sfgov.org/site/planning_page.asp?id=16063&year=2002&agenda=2994&minute=2998&supporting=

research is performed.⁴¹ Both buildings were also identified in the 1994 "Southern Waterfront Survey" completed by preservation architects Carey & Co. for the San Francisco Planning Department.

Because both structures were granted a National Register of Historic Places (NRHP) Status Code of '4D2' as part of the Planning Department's 2001 Central Waterfront Survey, the San Francisco Planning Department has determined that this property falls into Category B, "Properties that are strongly presumed to be 'Historical Resources.'" Once both structures were determined to be historical resources, the Planning Department prepared an HRE to determine whether the proposed project would have a significant adverse impact on the historic resource.⁴² After Planning Department staff determined that an earlier version of the proposed project overwhelmed the one-story historic building located at 2255 Third Street, the project sponsor substantially redesigned the Third Street elevation. The current proposed "base and bridge" design would now preserve the spatial relationship of the historic buildings by limiting the property-line portions to 35 feet in height and setting back the new 50-foot high portion of the project 20 feet from the property line. After these changes were incorporated into the proposed project, the Planning Department's HRE determined that the proposed project is consistent with the *Secretary of the Interior's Standards for Treatment of Historic Properties* and would not have a significant adverse impact on the historic resources. More specifically, the HRE determined that the proposed project would conform to the Standards, including Rehabilitation Standard #9 which requires that additions "shall be differentiated

⁴¹ Effective August 2003, in order to simplify and clarify the identification, evaluation, and understanding of California's historic resources and better promote their recognition and preservation, the (former) National Register ("NR") status codes were revised to reflect the application of California Register and local criteria and the name was changed to "California Historical Resource Status Codes" (the "CHR" Status Codes). At some point in the future, NR Status Codes entered into the Historic Resources Inventory data base prior to August 2003 will be converted to the revised CHR Status Codes. The Central Waterfront Survey was completed when the old NR Status Codes were still being applied to surveys. Accordingly, both 2225 and 2255 Third Street were given '4D2' ratings, which mean that they may become eligible for listing as a contributor to a NR District once more research is completed on such potential NR District. Based on the California State Office of Historical Preservation's guidelines (Technical Assistance Bulletin #8) published in November 2004, a '4D2' NR Status Code translates into a '7N1' CHR Status Code. The '7N1' CHR Status Code applies to resources that "need to be reevaluated and may become eligible for NR listing with restoration or if other specific conditions are satisfied."

⁴² City and County of San Francisco Planning Department, *Historic Resource Evaluation Response*, September 26, 2005. This memorandum is on file and available for public review by appointment at the Planning Department, 1660 Mission Street, Fifth Floor, San Francisco, as part of Project No. 2002.1302E.

from the old and will be compatible with the historic materials, features, size, scale, and proportion, and massing to protect the integrity of the property and its environment."⁴³

In addition, the 65-foot scale of the structure proposed for Illinois Street under the proposed project, while larger than that of the historic buildings on the immediate block, is smaller in scale than many of the historic industrial buildings in the immediate neighborhood, including the American Industrial Building located immediately to the south of the project site. Thus, the proposed addition is of appropriate scale and materials when viewed in the neighborhood context. Finally, the materials and details of the new construction are differentiated from the old and would appear compatible with the historic materials and features. Accordingly, as elaborated in greater detail in the HRE, the proposed project would be fully consistent with the criteria of the Standards and would not constitute a significant adverse change on an historic resource as defined by CEQA, and therefore would not be a significant effect. Therefore, historic resources will not be analyzed further in the EIR.

C. OTHER

Yes No Discussed

1. Does the project require approval and/or permits from City Departments other than the Planning Department or Department of Building Inspection or from Regional, State, or Federal Agencies? ☒ ☐ ☒

A discussion of approvals and permits necessary for the proposed project is presented in "Compatibility with Existing Zoning and Plans," at the beginning of this document.

The proposed project requires and includes a rezoning of the project site from its current zoning to create a temporary *DCWP* "Demonstration District" that would enact most of the controls proposed for the *DCWP*'s MURD and increase the existing height & bulk from 50-X to 65-X on the Illinois Street portion of the project site. This rezoning would require approval of ordinances by the Planning Commission and Board of Supervisors that would amend the *Planning Code*, Zoning Maps, and *General Plan* to create the new "Demonstration District."

⁴³ Secretary of the Interior, *Standards and Guidelines for a Preservation, Rehabilitation, Restoration, or Reconstruction Project*, July 12, 1995. The Standards for Rehabilitation are available online for review at http://www.cr.nps.gov/hps/tps/standguide/rehab/rehab_standards.htm. This report was accessed on December 9, 2005.

Public Notice and Comment

On March 6, 2003, the Planning Department mailed a Notice of Project Receiving Environmental Review for the proposed project, to property owners within 300 feet of the 2225 – 2255 Third Street Housing Project site, tenants adjacent to the site, and other potentially interested parties.

Overall, concerns and issues raised by the public in response to the notice were addressed and incorporated into the Initial Study as appropriate for CEQA analysis. Concerns were expressed regarding height and design issues (addressed in Visual Quality on pages 28 – 30).

D. MITIGATION AND IMPROVEMENT MEASURES

	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Discussed</u>
1. Could the project have significant effect if mitigation measures are not included in the project?	■	<input type="checkbox"/>	<input type="checkbox"/>	■
2. Are all mitigation measures necessary to eliminate significant effects included in the project?	■	<input type="checkbox"/>	<input type="checkbox"/>	■

The following mitigation measures are related to topics determined to require no analysis in the EIR. The following mitigation measures would reduce the proposed project's potentially significant impacts, except for the proposed project's potential contribution to cumulatively significant and adverse land use impacts associated with the loss of building and land supply for the future of Production, Distribution, and Repair (PDR) businesses in the Eastern Neighborhoods draft EIR study area. Additional analysis and information of the project's impacts and the cumulative impacts of individual development projects on the City's ability to meet its housing needs as expressed in the *General Plan* will be provided in the project's EIR analysis under cumulative land use impacts.

The EIR will contain a Mitigation Measures chapter which describes these measures, and will include other measures which would or could be adopted to reduce potential adverse effects of the proposed project. The project sponsor has agreed to implement the following mitigation measures which are necessary to avoid significant effects.

Mitigation Measure 1

Construction Noise Control Measures

The project sponsor shall require the construction contractor(s) to implement the following standard noise construction control measures:

- Equip all internal combustion engine driven equipment with intake and exhaust mufflers which are in good condition and appropriate for the equipment.
- Locate stationary noise generating equipment as far as possible from sensitive receptors when sensitive receptors adjoin or are near a construction project area.
- Utilize "quiet" air compressors and other stationary noise sources where technology exists.
- The contractor shall prepare a detailed construction plan identifying the schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with the adjacent noise sensitive facilities so that construction activities can be scheduled to minimize noise disturbance.
- Designate a "disturbance coordinator" who would be responsible for responding to any local complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and will require that reasonable measures warranted to correct the problem be implemented. The project sponsor shall conspicuously post a telephone number for the disturbance coordinator at the construction site and include it in the notice sent to neighbors regarding the construction schedule.
- Prohibit large trucks from accessing the construction site prior to 7:00 a.m.

Mitigation Measure 2

Construction Air Quality

The project sponsor shall require the construction contractor(s) to spray the project site with water during demolition, excavation, grading, and site preparation activities; spray unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other such material; cover trucks hauling debris, soils, sand or other such material; and sweep surrounding streets during these periods at least once per day to reduce particulate emissions. Ordinance 175-91, passed by the Board

of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the project sponsor shall require the construction contractor(s) to obtain reclaimed water from the Clean Water Program for this purpose.

The project sponsor shall require the project contractor(s) to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants, by such means as prohibiting idling motors when equipment is not in use or when trucks are waiting in queues, and implementing specific maintenance programs to reduce emissions for equipment that would be in frequent use for much of the construction period.

Mitigation Measure 3

Hazards (Lead-Contaminated Soil):

Step 1: Determination of the Presence of Lead-Contaminated Soil

As discussed in Section 12, Hazards, prior to approval of a building permit for the project, the project sponsor has hired a consultant to collect soil samples (borings) from areas on the site in which soil would be disturbed and test the soil samples for total lead.

Step 2: Preparation of Site Mitigation Plan

The SMP shall include a discussion of the level of contamination of soils on the project site and mitigation measures for managing contaminated soils on the site, including, but not limited to: 1) the alternatives for managing contaminated soils on the site (e.g., encapsulation, partial or complete removal, treatment, recycling for reuse, or a combination); 2) the preferred alternative for managing contaminated soils on the site and a brief justification; and 3) the specific practices to be used to handle, haul, and dispose of contaminated soils on the site.

Step 3: Handling, Hauling, and Disposal of Lead Contaminated Soils

(a) Specific work practices: Based on the results of the soil tests conducted, DPH determined that the soils on the project site are contaminated with lead or other contaminants at or above potentially hazardous levels. Therefore the construction contractor shall undertake the soil remediation work specified in the SMP in the manner specified in the SMP. Further, the construction contractor should be alert for the unlikely presence of such

soils during other construction activities on the site (detected through soil odor, color, and texture and results of on-site soil testing), and shall be prepared to handle, profile (i.e., characterize), and dispose of such soils appropriately (i.e., as dictated by local, state, and federal regulations, including OSHA lead-safe work practices) when such soils are encountered on the site.

- Dust Suppression: Soils exposed during excavation for site preparation and project construction activities shall be kept moist throughout the time they are exposed, both during and after work hours.
- Surface Water Runoff Control: Where soils are stockpiled, visqueen shall be used to create an impermeable liner, both beneath and on top of the soils, with a berm to contain any potential surface water runoff from the soil stockpiles during inclement weather.
- Soils Replacement: If necessary, clean fill or other suitable material(s) shall be used to bring portions of the project site, where contaminated soils have been excavated and removed, up to construction grade.
- Hauling and Disposal: Contaminated soils shall be hauled off the project site by waste hauling trucks appropriately certified with the State of California and adequately covered to prevent dispersion of the soils during transit, and shall be disposed of at a permitted hazardous waste disposal facility registered with the State of California.

Step 4: Report Filing and Inspection Scheduling

The San Francisco Department of Public Health, Environmental Health-Hazardous Waste Unit (EHS-HWU) has approved the mitigation plan and expects that a final health and safety plan will be submitted two weeks before work the soil remediation work commences and then contacted again one week before work commences to schedule inspections.

Step 5: Preparation of Closure/Certification Report

After soil remediation and foundation construction activities are completed, the project sponsor shall prepare and submit a closure/certification report to DPH for review and approval. The closure/certification report shall include the mitigation measures in the SMP for handling and removing contaminated soils from the project site, whether the construction

contractor modified any of these mitigation measures, and how and why the construction contractor modified those mitigation measures.

Mitigation Measure 4

Hazards (PCBs)

The project sponsor would ensure that building surveys for PCB-containing equipment (including elevator equipment), hydraulic oils, and fluorescent lights are performed prior to the start of demolition. Any hazardous materials so discovered would be abated according to federal, state, and local laws and regulations.

Mitigation Measure 5

Archeological Resources (Accidental Discovery)

The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in *CEQA Guidelines* Section 15064.5(a)(c). The project sponsor shall distribute the Planning Department archeological resource "ALERT" sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); or utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken each contractor is responsible for ensuring that the "ALERT" sheet is circulated to all field personnel including, machine operators, field crew, pile drivers, supervisory personnel, etc. The project sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the Alert Sheet.

Should any indication of an archeological resource be encountered during any soils disturbing activity of the project, the project Head Foreman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.

If the ERO determines that an archeological resource may be present within the project site, the project sponsor shall retain the services of a qualified archeological consultant. The archeological

consultant shall advise the ERO as to whether the discovery is an archeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archeological resource is present, the archeological consultant shall identify and evaluate the archeological resource. The archeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor.

Measures might include: preservation in situ of the archeological resource; an archeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is required, it shall be consistent with the Major Environmental Analysis (MEA) division guidelines for such programs. The ERO may also require that the project sponsor immediately implement a site security program if the archeological resource is at risk from vandalism, looting, or other damaging actions.

The project archeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describing the archeological and historical research methods employed in the archeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.

Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.

E. IMPROVEMENT MEASURES

The project sponsor has agreed to implement the following improvement measures to reduce impacts of the project that were found in this Initial Study to be less than significant. Improvement measures identified in this Initial Study may be required by decision-makers as conditions of project approval.

Improvement Measure 1

Parking

As a means to reduce the project's parking shortfall, the project sponsor could consider implementing one or more of the following improvement measures:

- To encourage restaurant, and retail employees to use alternate means of travel, the project sponsor could provide (or require the individual restaurant and retail tenants to provide) reduced rate or free transit passes.
- The project sponsor could provide on-site transit information (such as schedules, fare guides, and maps) and provide transit maps and directions for transit at the project's web site (if available).
- The project sponsor could coordinate with City CarShare to promote the use of car-sharing by residents.
- Although the project would provide bicycle parking spaces that could be used by restaurant, and retail users, to further encourage bicycle use by employees, the project sponsor could provide separate shower and locker facilities.

Improvement Measure 2

Loading

During the peak hour of loading activities, the proposed project's loading demand may not be accommodated within the proposed off-street and on-street loading spaces. As a consequence, loading and unloading vehicles may need to circle around the block, or double-park on Illinois Street or Nineteenth Street. A possible improvement measures is to provide delivery managers to schedule or direct deliveries.

Improvement Measure 3

Construction

Although construction impacts would be temporary, if determined needed, truck turning movements could be limited to the hours between 9:00 a.m. and 3:30 p.m. (or other times, if approved by DPT).

This would minimize disruption of the general traffic flow on adjacent streets during the a.m. and p.m. peak periods.

The project sponsor and construction contractor(s) would meet with the Traffic Engineering Division of the Department of Parking and Traffic, the Fire Department, Muni, and the Planning Department to determine feasible measures to reduce traffic congestion, including transit disruption and pedestrian circulation impacts during construction of the proposed project. Prior to starting construction, the Project Sponsor should contact the Muni Street Operations and Special Events Office, to coordinate construction activities.

MISSION BAY REDEVELOPMENT PLAN MITIGATION MEASURES

The Mission Bay Redevelopment Plan includes improvements for two shared intersections within the 2225-2255 Third Street Transportation Study area. The traffic volume thresholds that would trigger these improvements by the Mission Bay Project Sponsors would not be reached by 2015 and therefore are not incorporated into the intersection analysis for 2015 Cumulative Conditions with the proposed project. However, they are required mitigation measures for future cumulative conditions and would be implemented when traffic conditions warranted them as follows;

- When specific p.m. peak hour traffic volumes are met, the Mission Bay Redevelopment Plan Mitigation Measures would be implemented by the Mission Bay Project Sponsors.
 - *I-280 Northbound Off-Ramp/Mariposa Street* - Widen the eastbound approach to provide an exclusive left-turn lane and reconfigure the existing traffic signal when volumes reach 4,200 during the p.m. peak hour.
 - *Mariposa Street/Third Street* - Reconfigure the existing traffic signal when p.m. peak hour volumes reach 5,500. At higher thresholds, widen the eastbound approach to provide an additional through lane, widen and restripe the westbound approach to provide an exclusive left-turn lane, and an additional through lane.

F. ALTERNATIVES

The EIR will analyze alternatives to the proposed project that would reduce or eliminate significant environmental effects, if any. At a minimum, the alternatives analyzed in the EIR will include the following:

1. A *No Project Alternative* in which the project site would remain in its existing condition, with the two existing buildings.
2. A *Current Planning Code-Conforming Alternative* that would preserve the two historic buildings fronting on Third Street and build two new structures between them that would vary between 35 feet (three stories) and 50 feet (five stories) in height. Unlike the proposed project, the *Planning Code-Conforming Alternative* would construct three five-story, 50-foot-high structures facing Illinois Street. In total, the *Planning Code-Conforming Alternative*, consisting of seven buildings, would contain approximately 195,758 square feet of floor area including 83 residential units, approximately 45,698 square feet of office uses, 5,262 square feet of restaurant uses, 11,434 square feet of ground-floor retail space along Third Street, and 2,393 square feet of ground-floor day-care services. It would also include a below-grade garage accessed from Illinois Street containing 121 parking spaces (consisting of 81 independently accessible spaces, one off-street car-share space, and 40 stacked), 25 bicycle spaces, and one off-street loading space. The *Planning Code-Conforming Alternative* would require a CU authorization from the Planning Commission for a PUD.
3. A *PDR Land Use Alternative* that would preserve the two historic buildings and build new structures that would feature PDR land uses.

Possible selection of additional alternatives for evaluation will be guided by the EIR's analyses of potential significant environmental impacts.

G. MANDATORY FINDINGS OF SIGNIFICANCE

	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
1. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or pre-history?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Does the project have possible environmental effects which are individually limited, but cumulatively considerable? (Analyze in the light of past projects, other current projects, and probable future projects.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Would the project cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

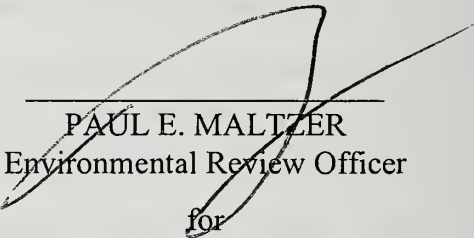
CONCLUSIONS

The proposed project could have a significant cumulative adverse land use effect. Additional analysis and information of the project's impacts and the cumulative impacts of individual development projects on the City's ability to meet its housing needs as expressed in the *General Plan* will be provided in the project's EIR analysis under cumulative land use impacts. The EIR will address these potential issues and impacts.

H. ON THE BASIS OF THIS INITIAL STUDY:

- ☐ I find the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared by the City Planning Department.
- ☐ I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because the mitigation measures in the discussion have been included as part of the proposed project. A NEGATIVE DECLARATION will be prepared.
- ☒ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

Date: July 20, 2006



PAUL E. MALTZER
Environmental Review Officer
for
Dean Macris,
Director of Planning

PLACE
POSTAGE
HERE

San Francisco Planning Department
Major Environmental Analysis
1660 Mission Street, Ste. 500
San Francisco, CA 94103

Attn: Tammy Chan, EIR Coordinator
2002.1302E 2225-2255 Third Street

PLEASE CUT ALONG THE DOTTED LINE

*RETURN REQUEST REQUIRED FOR FINAL
ENVIRONMENTAL IMPACT REPORT*

—UP UNTIL APRIL 20, 2007—

REQUEST FOR FINAL ENVIRONMENTAL IMPACT REPORT

TO: Tammy Chan, EIR Coordinator
San Francisco Planning Department, MEA

Check one box: ☐ Please send me a copy of the Final EIR on a CD.
☐ Please send me a paper copy of the Final EIR.

Please send me a copy of the Final EIR.

Signed: _____

Print Your Name and Address in the Box Below

PLACE
POSTAGE
HERE

San Francisco Planning Department
1650 Mission Street, Ste.400
San Francisco, CA 94103

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